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Democracy Reborn

Books by Henry A. Wallace

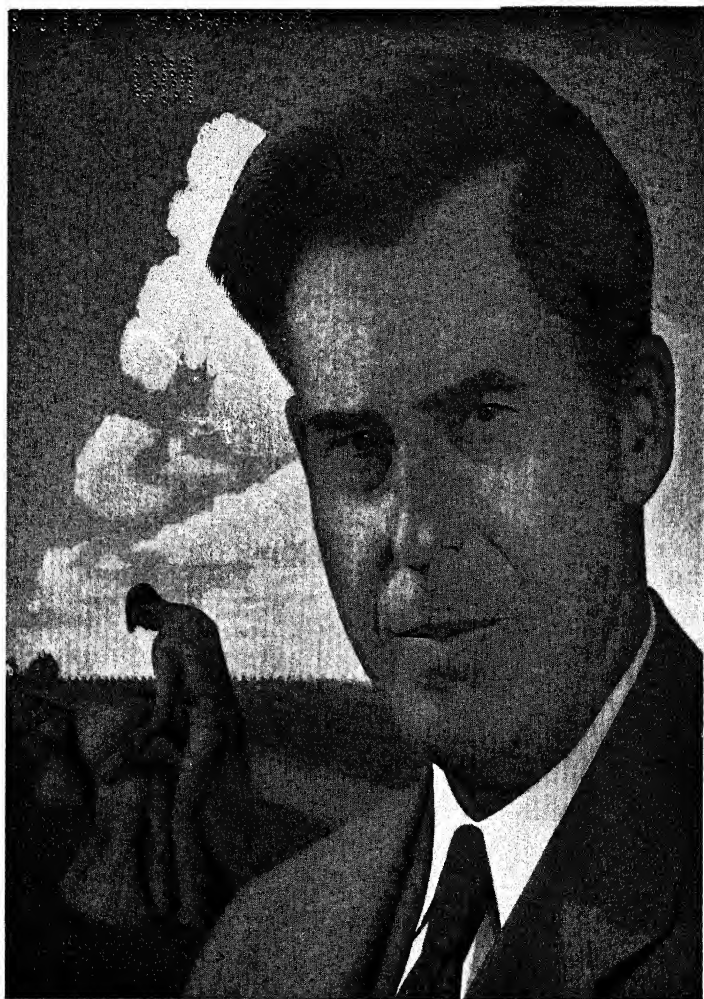
DEMOCRACY REBORN

THE CENTURY OF THE COMMON MAN

THE AMERICAN CHOICE

WHOSE CONSTITUTION?

NEW FRONTIERS



(Crayon Drawing by Grant Wood)

Hawallere

Henry A. Wallace

Democracy Reborn

Selected from Public Papers

and Edited with an Introduction and Notes

BY RUSSELL LORD

REYNAL & HITCHCOCK, NEW YORK

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INTRODUCTION

‘‘YOUNG HENRY’’

THE THIRTY-THIRD Vice President of the United States is not to be understood simply as an extraordinary growth of the reform administrations of Franklin D. Roosevelt, dating from 1933. He is the product of a much longer growth, a family growth. Many of the traits, gifts, convictions and mannerisms of Henry Agard Wallace which may at first seem hard to understand become more clearly explicable in the light of some knowledge of his family, and particularly of the patriarchal ‘‘Uncle Henry’’ Wallace of Iowa, his grandfather.

The breed is Scotch-Irish and stoutly pietistic. In Scotland, and again in the north of Ireland, most males of the line farmed and most of the women they married were farm-bred. Some of these Wallaces attained a sizable acreage and were married to women of property. There was, for instance, William Wallace of ‘‘The Leap,’’ near Kilrea, Ireland. He married Jeannie Campbell of ‘‘The Vow,’’ a considerable estate. But because she was a Presbyterian, ‘‘The Vow’’ was confiscated; and this so outraged William Wallace’s sense of right that he left the Episcopal Church and put his own holdings to hazard by becoming a Presbyterian. ‘‘Mad Billy,’’ they called this squire, there around Kilrea; partly because he would rise at dawn, mount and gallop his horse a hard eight or nine miles before breakfast and partly because he had dared the State to take his land. It may be said in general that, while the Wallaces of Kilrea and their American descendants have consistently displayed a decent respect for property, they do take their religion deeply to heart.

By the early nineteenth century times were turning fearfully hard in Ireland. Henry Wallace of Kilrea was a small farmer. John, a son, could see no future on that farm. First John and then a brother, Daniel, emigrated to America. John came in 1823, when he was but eighteen years old, and located on a farming frontier, then predominantly Scotch-Irish, inside the Allegheny barrier of Pennsylvania, where all the streams flow west. By 1835 he was master of a small farm, originally called ‘‘Finley’s Fancy,’’ and was married to Martha Ross, whose mother had been born a Finley. The Rosses and the Finleys were quite as Scotch-Irish in their lineage as this newcomer John Wallace; and they all were strict Psalm

singing Presbyterians of the type which later was called United Presbyterians.

John and Martha Wallace called their 150-acre of hills and river-bottom along the Youghioghenny River near Pittsburgh by a new name, "Spring Mount." They built first a log cabin and later a staunch brick house by a spring near the head of a hill. "Spring Mount" was the seedbed of this new family of Wallaces in America. The first of nine children, Henry was born to them in the log cabin in 1836. He was the only one of the nine who lived beyond the age of thirty.

The first American Henry Wallace of this line was the only one of that generation who seemed fully sparked with health and vigor by the time that he, the eldest of all his brothers and sisters, had come to his middle twenties. Studying for the Presbyterian ministry, he had rebelled against the extreme orthodoxy of indoctrination prevailing at seminaries in Ohio and nearby, and had removed to Monmouth College, Illinois. Taking over two small charges on opposite sides of the Mississippi, at Rock Island, Illinois, and at Davenport, Iowa, the new-made Reverend Henry Wallace undertook to clean up and enlighten, spiritually, morally and in some part politically, both of these quarrelsome, raw, new river towns at once. He courted Nancy Ann Cantwell of Ohio and married her shortly after her father, Colonel James Cantwell, had died in the second battle of Bull Run. He went to the front himself as a Chaplain in the closing months of the war, rode up front with Grant and his generals, tended the wounded before Petersburg, and saw the end of the conflict afield.

Back in Iowa, he found that his own health was breaking. In the process of part-time preaching and part-time farming at the more rural charge of Morning Sun, he buried his father and mother and the last remaining four of his brothers and sisters in the fresh soil of Iowa, and came to the point of an almost complete breakdown. All the staid old elders said that Brother Wallace was sure to die by Fall. There is evidence in his informal writings and memoirs, which are extensive, that not only "lung trouble" ailed him. He was sick of all the quarreling that strict little "church-made sins," as he called them, aroused and imposed upon him as a Man of God of that cloth and time. He had some money now, and he had some land, good land and fresh, out on the prairie west of Winterset, in southwestern Iowa. And so in June 1877 he resigned from the formal ministry to become a free-lance farmer, journalist and public speaker. It was about this time that people started speaking of him as "Uncle Henry." He wore the cloth no longer, but for all of his days (and he lived to a robust eighty) he remained in many ways a minister and in large ways a Man of God.

He became a really great man in Iowa, and his influence in agricultural

matters was felt throughout the nation before he died. He founded *Wallaces' Farmer*, which still lives. "Good Farming . . . Clear Thinking . . . Right Living" is the motto on the paper's masthead. He joined with such midland giants of agriculture as Seaman A. Knapp and "Tama" Jim Wilson, who later became Secretary of Agriculture, to strengthen agricultural experimentation, resident instruction and extending demonstrations, and so to make the growing Land Grant College system more vital. He was a great man to break beyond confining dogma, lay and spiritual. The sequestered little certainties of partitioned scientists, no less than the pious schisms of churchmen, made him laugh and sometimes roar. He was one of the most valued members of President Theodore Roosevelt's Country Life Commission which undertook, with Liberty Hyde Bailey of Cornell as its chairman, to draw the entire chaotic pattern of agricultural hope and malady together and to make it comprehensible.

Until he had retired from the ministry, at the age of forty, he had written only once for publication, and that unwittingly. A sermon that he had preached on a Fast Day, or special day of prayer for success at arms, proclaimed by Abraham Lincoln in 1862, had been rather widely printed; that was all. While farming at Winterset, the county seat of Adair County, he started writing pieces about farming gratis for a country weekly published there. When they tried to trim from his copy remarks on the low state of agricultural education and attacks on official complacency, he bought that country weekly and ran it himself.

A panic was running, pending resumption of specie payments after the Civil War. Crop prices were low and he was land-poor, with his bought and inherited properties low in value. But the land kept on producing bounteously under his management (he was a great believer in livestock and clover); the family could eat; and the family kept increasing. "Henry," said one of his wife's sisters, "I know the good Book says, 'be fruitful and multiply and replenish the earth and subdue it,' but I am sure, Henry, that the Lord did not expect one man to do it all by himself."

They had lost their firstborn, a girl, in infancy; but three boys and two girls lived and thrived. The firstborn male, Henry Cantwell Wallace, more usually called Harry Wallace, had come into the world at Rock Island, Illinois, in the year 1866. Now, at Winterset, Harry had grown to an age when he was beginning to run around the country a little with ribbons on his buggy-whip, and the head of the family put him to work sticking type for the family *Chronicle* at \$3 a week. Later, Harry studied agriculture in the college at Ames. In 1887 he was married to Carrie May Brodhead, a fellow student; and they went as tenant farmers to one of the Wallace family properties, a 300 acre farm on the rolling prairie five

miles southwest of Orient, Adair County. The house was small and comfortable enough, but without conveniences or adornment. It was in this tenant house on October 7, 1888, that Henry Agard Wallace was born.

When young Henry was four years old his father moved the family back to Ames and became Professor of Dairying at the College there. As a sideline Harry and his brother John started a small agricultural weekly, *Farm and Dairy* at Ames.

"Uncle Henry" had by now gone on from county to statewide editing. He was editor of *The Iowa Homestead*, published in Des Moines, on a small salary and with a minor share in the paper. He continued to live at Winterset, mailing in his copy from there. He was never a man to suspect his associates in an enterprise or to require rigid agreements and accounting. The other partners on *The Homestead*, commanding a majority of the stock between them, fell to quarrelling between themselves. Each side sought to line up Wallace's vote its own way, and both, representing the business view on the one hand and the editorial view on the other, tried to edit or censor their editor's copy, especially when he went after the railway monopolies and freight rate discriminations.

For the first time since he had left the ministry "Uncle Henry" was seriously worried, occasionally even depressed; but he kept on fighting. He had come through his *Homestead* writings to great power and influence over the minds of his readers in Iowa. They trusted his word completely. He was a hard hired man to fire.

They will tell you in Iowa even today that "Uncle Henry" made three Secretaries of Agriculture, if you count in his son and grandson. They imply also that he could have been McKinley's Secretary of Agriculture if he had wanted the post. It seems likely; the record shows that he was approached for advice on the subject by an emissary of the McKinley-Hanna element; and that he at once recommended his greatest friend, James Wilson of Tama County, "Tama Jim."

So "Tama Jim" Wilson became McKinley's Secretary of Agriculture and held that post for the unprecedented and since unequalled span of sixteen years. But "Uncle Henry," remaining in Iowa, was Wilson's closest friend and advisor outside the government throughout his term. "Uncle Henry" by this time had become a fairly astute politician, in a large way, himself; and while the maneuvers surrounding changes of the Secretariat in his time are related circumspcctly, he certainly left in writing no word which could be stretched to mean that he, Wallace, might have had the job all along, but told them to give it to his old friend Jim. I think that if we say the post was "proffered," not "offered," him, once

or twice—a delicate political distinction—we come as closely as possible to the facts on a question still discussed in Iowa.

“Young Henry,” as they called his grandson in the family, and later throughout the middle country, grew up in the somewhat straitened circumstances of a family that had some land and a good name, but had very little money at the time. In the small house that his professor-father rented at Ames, he experienced not want, but a genteel scarcity. From the earliest day that he was permitted to visit the printshop of his father’s and uncle’s little *Farm and Dairy*, and from occasional visits of the clan’s bearded chief, his venerated grandfather, young Henry had a feeling that his people were in trouble. They were. The ruction within the staff of *The Homestead*, brought at length to a head, had led to expulsion from the staff of his editor grandfather. At sixty the head of the family was an editor without a paper. He was involved, moreover, in a lawsuit that stirred all Iowa, stripped him of his last dollar of ready money, and had the family land holdings mortgaged to the hilt.

Never one to talk much, old Henry’s eldest son Harry later told a friend: “We had to do something. I felt that my father would die if we did not have a paper that would be a platform or pulpit for him again.” So the sons of “Uncle Henry” formed a firm with their father, and started making over *Farm and Dairy* into *Wallaces’ Farmer* in 1895. The staff was Henry Wallace, his wife Nancy Ann, their sons Harry, John and Daniel.

As soon as he was old enough to write about his first work in corn breeding, while he was still a student at Ames, young Henry broke in as an associate editor, taking up such work full time upon his graduation from college in 1910.

He remembers that in the late ’nineties the family was living on borrowed money in a rented house in Des Moines. He remembers his father remarking on a Sunday walk that if they could just lay hold of \$800, they could build a house of their own. But nearly every cent they could get was going into the paper then. By 1899 things were picking up. The family bought 10 acres of land and a dilapidated house on the edge of town. In 1900 *Wallaces’ Farmer* started paying salaries to its partners; and in 1901 the Harry Wallaces built a grand new \$5,000 house of their own on their newly acquired acreage.

Harry Wallace was the publisher; John Wallace the business manager, and “Uncle Henry” was editor in chief. Harry held himself characteristically in the background, but it was he who did most to put the paper over as a paying concern in the face of savage competition. His father loved justice and hated injustice in the abstract, but he never hated or distrusted

any one personally, nor for long. Harry was different. He was a stout-hearted, red-headed, more immediately practical man. A man of tender instincts, he had to make himself tough first as a businessman and then as a statesman, and he did. He built up the family's journal until, during the first World War boom of farm land and products prices, people spoke of it as "Wallace's Gold Mine." The mine ran thinner shortly after that, much thinner, not only for *Wallaces' Farmer*, but for all farm papers and all farmers.

After the first World War Henry Cantwell Wallace consented, though not without misgivings, to be Secretary of Agriculture in the Harding, later the Coolidge, cabinet.

In those cabinets he and Herbert Hoover were probably the strongest men and certainly the most resolute antagonists. It was common talk in Iowa that contention with Hoover and a growing despair of what he regarded as a fair deal for agriculture brought on Harry Wallace's collapse of health and his death in office in 1924.

Those were trying days for "Young Henry," as they still call him in Iowa. He had just turned forty years old, and was head of the family now. Times had turned hard for agriculture and were getting harder. Protectionism was in the saddle. "Back to normalcy" was the watchword. Things looked bad. The third American Henry Wallace of this clan went on with editing the family's paper, pursuing his researches in plant genetics and mathematical correlations. For a while, he has told friends, he "almost hated Hoover." But he is not a good hater. By the dawn of the 1930's he was speaking of President Hoover sadly as "an honest, earnest man who doesn't know what it's all about." His change of party, accompanied by a change of creed, has been, he has since explained, in protest against barriers. First, trade barriers; they are, in the long run, iniquitous; and, in a creditor country determined to export without accepting imports, ruinous. As for religious barriers: "I didn't like the way in which Al Smith's religion, Catholicism, was used to smear him in that campaign." So he left the Presbyterian church of his fathers and became a member of St. Marks Episcopal Church—"one of the poorest, most struggling churches in my home town," Des Moines. Neither move was simply a move from camp to camp. He is not a strict party man any more than he is a strict Episcopalian. He is simply a man constantly moving on against and through the barriers that divide mankind: and this, in ever expanding measure, has been the line of his life and growth in public affairs.

II

It is not perhaps an accepted tenet of human genetics, but it sometimes appears that the children of taciturn parents are voluble, and the children of voluble parents (this factor may be environmental), turn taciturn. In the four generations of the Wallace family, here sketched, the heads of the family display at least a remarkable alternation as to this. John Wallace, his son Henry testifies, never wrote a line for publication, never made a speech, never even prayed in public, and he was extremely sparing of words in conversation. As for the first Henry, "words just poured out of him," says a contemporary. The written record of his words as an editor and speaker runs literally into the millions.

So far as he could as a publisher and then as a public man, Harry Wallace said or wrote little, and wrote that little guardedly. The gift of words appears in him to have skipped a generation, although in the expression of policy, either private or governmental, he could be clear and forceful. And now we have his son, the present Henry, pouring out words through every public channel, like his grandsire of old.

The grandsire loved to argue, preach, exhort and quote the Bible in a peculiar secular sense. He would speak and write of the politicians and business leaders there in Iowa, with curt comparisons to progressives and reactionaries in the Old Testament. So does this Henry, on a world scale.

This is not only a hereditary reincarnation born of the quirk that geneticists call "grandfatherism"; it is more definitely the fruit of a rare companionship between the very young and the very old. Recall: this Wallace was born in 1888. His father was much engaged in upbuilding the family publishing business, which had all but toppled. His grandfather, entering a serene old age, had more time. He and the boy would take long rides into the country together and often spend whole days together. The lad would read to the patriarch from books such as Bergson's *Creative Evolution*, or from rural periodicals such as George Russell's *The Irish Homestead*. It was grandfather who chiefly pushed Young Henry on and bragged about him when he started to breed the inbred strains of maize that ignored show points in search of yield and which since have added billions of dollars in real wealth to the Corn Belt of America. "Our Henry has the best mind of any Wallace in six generations," his father told the family proudly. And that, from a Wallace to a Wallace, was praise indeed.

Turning his correlation calculations to earthly practical purposes, Young Henry wrote as market analyst for *Wallaces' Farmer*. His articles, simply written, called the turn again and again, seasons ahead of time, on the relationships of corn and hog crops, the rise and fall of supply, demand

and prices. In a leading article published on January 31, 1919, he called the turns and dates of the coming post World War I depression with amazing accuracy; and then a decade passed and it all had happened as he foretold.

On that March day of the first Roosevelt inaugural, with every bank in the land closed, he came in his turn as Secretary of Agriculture to Washington. He wondered if he were suited to the turmoil of public life. The portfolio of Agriculture, which he was taking over, was a post more gravely important at the time, and more onerous, than even the job of Secretary of State. But once he took over the burdens of the office it was striking to see him change. His step lightened; his smile grew warmer; he worked with a blithe sweep and directness for fourteen or even sixteen hours daily and visibly gained each day in poise, assurance and health. He found that he could eat a peck of trouble daily and thrive on it.

III

He had taken no training in public speaking in college, and rather resisted his teachers of English, or other teachers requiring "themes" in literary style. They always wanted long papers, he complained, and they favored "smart" or mannered writing. For a teacher of history who graded him a mere 85 per cent because a theme had been brief, he next prepared an extended paper and was pleased to receive a grade of 90. But he was even more pleased to note that the professor had not read all the way through to the last page. There Wallace, in experimental mood, had entered an impishly irrelevant paragraph saying how, looking out the window he could see a skinny, red cow browsing on the herbage of his native Iowa, and ruminating with long thoughts about history, possibly, and long papers.

He takes little pride in his writing, as writing *per se*, even now. "Strangely enough, I do not like to write," he says. Like his grandfather before him, he prefers dictation. He can peck out letters or notes with two fingers on the typewriter, but he never learned to love the instrument. Sometimes his prose compositions are scrawled in a large, rough, round longhand on large sheets of pad paper or far more often what he has to say is talked into a dictaphone.

Always by his desk, when he was associate editor and later editor of *Wallaces' Farmer*, there were two machines such as would drive most writers frantic, a dictaphone and an adding-machine. Writers who speak longingly of taking up dictaphone composition as a speed-up measure, and for relief from that back-of-the-neck pain which comes of typing or

penning miles of words (and where is there a writer who has not so yearned and spoken?), should be interested in Wallace's dictating technique. When the subject is familiar to him, long since thought through—the Tariff, let us say, or the rise and defects of research and education—he sprawls in his desk chair with his feet on the desk or perhaps in a nearby wastebasket—and puts words on a cylinder at a speed approaching two hundred words to the minute. When he is feeling his way ahead on a new subject or approach, he leans over the machine like one wooing music from a bull-fiddle, and talks very slowly, with long pauses. His control of the hand throttle which turns the thing off and on with the flow of thought is as easy and natural as that of a good driver on the clutch of a car. The output is sometimes finished and can go to printer or mimeographer just as it is. More often, he gives it a single quick going-over with a pencil. Sometimes, if there is time, he will hold it and pry at it with a pencil, editing, reworking it for weeks.

He is an exhorter with scientific underpinnings. The words that spring from his mind, sometimes stumbling, sometimes leaping, are those of a man troubled, deeply troubled, by the far-reaching sickness of these times. They are the words of a man unburdened with intellectual pride or arrogance, a man who knows a great deal and knows it doesn't amount to much. He has said of himself, half-humorously, that he would like to spend his life "making the world safe for corn breeders and machinery." To unleash to the utmost the productive capacities of nature, machines and men, so that "a balanced abundance" will replace "enforced meanness," man to man—of such is his heaven on earth.

We must work things out in our own way, a new American way, he feels. Democracy must be reborn. In 1933-34, the first year of his public career, when I worked as an aide in the office of the Secretary of Agriculture, I would sometimes think, hearing him talk objectives, that he was inclining toward Socialism or a sort of intellectual Fascism, manned by intelligence, not wealth. So we would argue with him, we younger fry of the great new Reformation which had then been declared, and we were very daring in our utterances. It was plain even then that Wallace was, indeed, as he said, "something of a middle-of-the-roader." When we would mention Communism, his face would darken and: "There is too much hate and envy in the old -isms. What we've got to do is to find a way to make machine age democracy effective," he would say. He insisted, then as now, that changing the system is ineffective without "a change of the human heart," and the Puritan in him seemed at times to suspect, darkly, that Americans are a race of greedy children who have not suffered enough.

In a collection of papers such as these, the editor who makes the selections and enters the annotations should perhaps declare his position in respect to the author. I have already done so, in essence. I worked for him, in his Department, during his first year as Secretary of Agriculture. Then I left Washington to do some writing on a small farm in Maryland, and to consider the continuing agrarian and industrial revolution from that quiet hill. As a freelance writer and editor I have since been drawn back for weeks and months on end to Washington, and some of my work was in the Department of Agriculture—for the Soil Conservation Service, the Forest Service, Triple-A, the Bureau of Agricultural Economics and the Commodity Credit Corporation, successively. But this work brought me back into firsthand visits with the Secretary, and later the Vice-President, only very occasionally; and while I like and admire him greatly, I have, I think, been a somewhat objective and not altogether uncritical spectator of his growth. For the past three years, between times, I have gathered the material and now am writing a three-generation biography of his family, an account of a century of our progress in terms of the connected doings and sayings of his grandfather, his father and himself. That book, and this one, are to be issued by publishing houses entirely outside of the Government; and while the Vice-President and others of his family have approved of these projects in general and have answered all questions freely, these are not "authorized" works. The responsibility for the choice of material and for the interjected opinions is mine.

An old friend of the family gives me an engaging picture of the author of this collection making his first stump speeches throughout Iowa and the distressed Corn Belt shortly after the first World War. These stump speeches were economic, not political. He was associate editor of *Wallaces' Farmer*. He knew from his charts and studies that when foreign demand caved in, then agriculture, buying on a protected market and selling through tariff walls, would be the first major business element in the country to go to smash. So he stood there, talking slowly, entirely extemporé, telling those people who read and trusted his family and their paper about changed currents of world trade. "So decent, so earnest! So determined not to make a speech!"

This friend further remembers one blazing day at a picnic ground in Iowa when Young Henry in rolled-up sleeves made a similar talk with a good part of his shirt-tail out; and no one paid any heed to that. They were in trouble, those farmers, in deep trouble; and maybe this shock-headed, serious young man had an answer. The first time I ever saw this Henry Wallace, myself, was at a similar picnic-speaking in South Dakota

on a torrid July day in 1927. Drought and deflation had hit hard there, all at once. The crash had been so abrupt that farmers burned out and broke were still able to get shiny new cars on credit; the car and sales companies did not dare drop their sales quotas abruptly at the time. So the farmers came, many of them, in big new cars; but they had the look of broken men, some of them in their flapping, dirty denims; and their gaunt women, sitting tensely with them on those rough board benches, right out in the blaze of the sun, were brave. Something about that whole "picnic," some air of unexpressed fear, even of desperation, touched the heart. There was a great crying of fretful children and babies in arms and an occasional slapping of the young for crying. It was toward three in the afternoon and the temperature stood at 103 degrees or so. I was there to interview for an Eastern farm paper a country banker who thought he had an answer to the tenant problem. The banker and I sat in a car and talked, while Wallace, patiently and somberly, talked to the people. "The world is changing; we must change too"—that is all I recall of his lecture. I meant to go up and be introduced to him afterward, but by the time I found out what the banker thought was the cure for tenancy, Wallace had gone across the Plains to make another economic stump talk. I met him first in Iowa in 1928.

He was far from being a finished speaker then, and that still was true when he came to Washington three years later. From the first, however, his speeches and pronouncements attracted attention, not as finished expressions, for he poured them forth in dictation hastily, but for their boldness, candor and sweep. And at times afield, with trouble to mend, he would put by his notes or manuscript and, speaking very slowly, he would say things like this:

"There are, I am told, people here who are accepting relief payments, and yet, anticipating some degree of monetary inflation and price rises, are getting ready to take a flyer in wheat speculation on the Chicago Board of Trade."

This was the economist in him speaking. Then grandfatherism surged up in him. He threw up his head. It was as if old "Uncle Henry" stood there again preaching hellfire to the wicked. He went on: "There are such people here. A little, ill-informed, small-minded public, returning like dogs to the vomit you quitted in 1929!"

More gently or wearily, on the same trip, he was moved at the end of a prepared address at the Des Moines Coliseum to say a few words more. He crumpled his manuscript into a side pocket, and stood looking at that great crowd of farming people in silence. Knowing their Wallaces, they knew that something was coming and waited patiently. An aide who

was along with him had plenty of time to get out a pencil and write down what Wallace, speaking very slowly, said:

"Only the merest quarter-turn of the heart separates us from a material abundance beyond the fondest dream of anyone present. . . . Selfishness has ceased to become the mainspring of progress. . . . There is something more. . . . We must learn to live with abundance. . . . There is a new social machinery in the making. . . . Let us maintain sweet and kindly hearts toward each other, however great the difficulties ahead."

Again afield, arguing with a group of dairymen who refused to adopt a controlled production agreement, and were calling a milk strike, Wallace was ironical: "There would seem to be something about the dairy business which leads a man to bury his head in the flank of a cow, and lose track of time and space."

As Secretary of Agriculture he wielded an enormous emergency power. The pressure on his door and heart and mind were at times terrific. Great food-dealing firms sent high-priced skilled contenders, fresh from the drawing rooms of Pullmans, to gain from him decisions that would make them millions. He broke off parley with one such smooth contender by standing wearily, with bent head, and saying, "Unless we learn to treat each other fairly this country is going to smash." He was rather an awesome man to work for at times, but always perfectly natural, friendly and charming, not in the least self-righteous.

What he says on the public platform corresponds remarkably in style and cadence with his natural way of talking. Style, after all, is simply what makes people say that what you write sounds like you. Wallace's natural style is an instrument of communication with a wide range. It moves from the conversational to the expository, to the statistical and to the heights of poetry, all in his own way. He is devoid of literary vanity. He works too fast to have any time for that. Sometimes in a speech he will tackle a subject and leave the impression that he is trying to think in public; that he is asking his audience to help him think this thing through. These are what he calls his "half-baked speeches," the in-betweens. But one speech or pamphlet leads on in a curious manner into clarifications and elaborations in the next; so, stringing them all together, they are like a continuous book on which he has snatched a few minutes to talk or write from time to time. In this book we shall cover the in-between speeches mainly by notes and briefs, selecting what seem to be the culminating or full-baked addresses and articles as they emerge. That seems to have happened, by and large, around two or three times a year since 1933; but in the past few years, more often.

Improvising, Wallace pours forth at times strange mixtures of collo-

qualism: "The butter folks are on the hot spot." What a mess! The mixture of his metaphors in first drafts is sometimes no less than majestic. "The youth movement," he scrawled in one first-draft, written in a car, "has been the backbone of every strong arm movement in Europe." That may not be mixed, but it might be called strained. Again, in a series of dictated lectures later made into a book, *Statesmanship and Religion*, published in 1934: "The Century of Progress has turned to ashes in our mouth."

But he makes plain what he means, as a rule, and the personal quirks in his style are warming to the discourse. At its best, when he unleashes deeply felt emotion, or philosophizes without self-consciousness, his style is superb. The candor, the poetry, the bluntness and the boldness of the Bible is what you think of then. It was this quality which caught the world's attention on May 8, 1942, when he made that great speech beginning, "This is a fight between a free world and a slave world." He had been thinking on this subject for a long time. He arose from bed at five in the morning and dictated the address by seven. The text transcribed from the dictaphone record was changed but little.

That speech and others he has made since are the ripening fruit of a tree deeply rooted. This Wallace is not a chance growth. Consider him here, in 1934, talking quietly, in the course of the *Statesmanship and Religion* lectures:

It is possible for powerful men in positions of financial influence or in control of certain fundamental mechanical processes to pose as hard-headed men of affairs when as a matter of fact they have all too often created temporary illusions: they have merely been blowing bubbles. By the manipulation of money, the floating of bonds, they have distorted the judgment of our people concerning the true state of future demand and future supply. Oftentimes with excellent motives and looking on themselves as realists, they were in fact sleight-of-hand performers and short-change artists.

Yes, we have all sinned in one way or another and we are all sick and sore of heart as we look at the misery of so many millions of people, including among them many of our close friends and relatives; and we ask again and again why this should be in a nation so blest with great resources, with nearly half the world's gold, with great factories, with fertile soil and no embarrassing external debt. We look at all this and ask what mainspring inside of us is broken, and where we can get a new mainspring to drive us forward.

That part of Wallace which newspaper chatter writes off as fuzzily mystical is really the most profoundly practical.

Now compare the following passages with the quotation above:

At six I called on the President. I told him this war must end some time; that he was the one man to attract the attention of all the world; that probably the time would come when he would be able to suggest as the basis of lasting peace the freedom of the seas and their policing by an international fleet, so that for all time to come the nations of the world, wherever they might be located, could freely trade without fear of molestation. I said to him that was utterly impractical now and probably would not be practical until every woman's heart in the warring nations was broken, until the nations themselves were bankrupt. But surely, I said, the common people of these nations will in time overturn governments that insisted on breeding men for the shambles, to carry out the ambitions of their leaders.

That is from the memoirs of the *first* Henry Wallace, recording a visit and talk with President Woodrow Wilson at the White House in October of 1916, a few months before he died. Add freedom of the air to freedom of the seas, and it might be the present Henry Wallace speaking in 1944. The lives of these Wallaces exhibit an extraordinary sense of family tradition of which they are proudly conscious. They bear their pride with a genuine humility, but they are proud; and they are men possessed of a sense of family destiny that drives them hard.

Almost the first public act of the second Secretary Wallace when he came ten years ago to Washington was to rescue the officially painted portrait of his father, Secretary "Harry," from the sequestered gallery of past secretaries in the Department of Agriculture, and hang it on the wall directly above his desk. In 1940, when he became Vice-President, he asked if he could take his father's portrait on to his new office. He still has it on the wall above his desk.

Sometimes he seems more like his father than his grandfather. He can be tough. He can be very quiet and sad-voiced about it or again half mocking, gravely smiling, but he can be tough. When there is a log-jam to be broken in policy evasions or in personnel relationships, he breaks it. As a rule he does not leave a lot of dead timber lying around to clutter things up. He hates this side of the administrative job. He loses sleep about it; especially when friends are involved. He hates quarreling; it literally makes him sick. So he does not quarrel. But he does act.

The years of his public life thus far have been from his forty-fifth year to his fifty-sixth. These are the chief of his published works to date:

As Scientist and Economist

"Mathematical Inquiry into the Effect of Weather on Corn Yield in the Eight Corn Belt States," pp. 439-445, *Monthly Weather Review*, U. S. Dept. Agr. August, 1920.

Agricultural Prices (1920).

Corn and Corn Growing (1923).

Correlation and Machine Calculation.

As Secretary of Agriculture

America Must Choose (1934).

Statesmanship and Religion (1934).

New Frontiers (1934).

Whose Constitution? (1936).

Technology Corporations and the General Welfare (1937).

Paths to Plenty (1938) [Revised and retitled as *Price of Freedom* (1940)].

The American Choice (1940).

As Vice-President

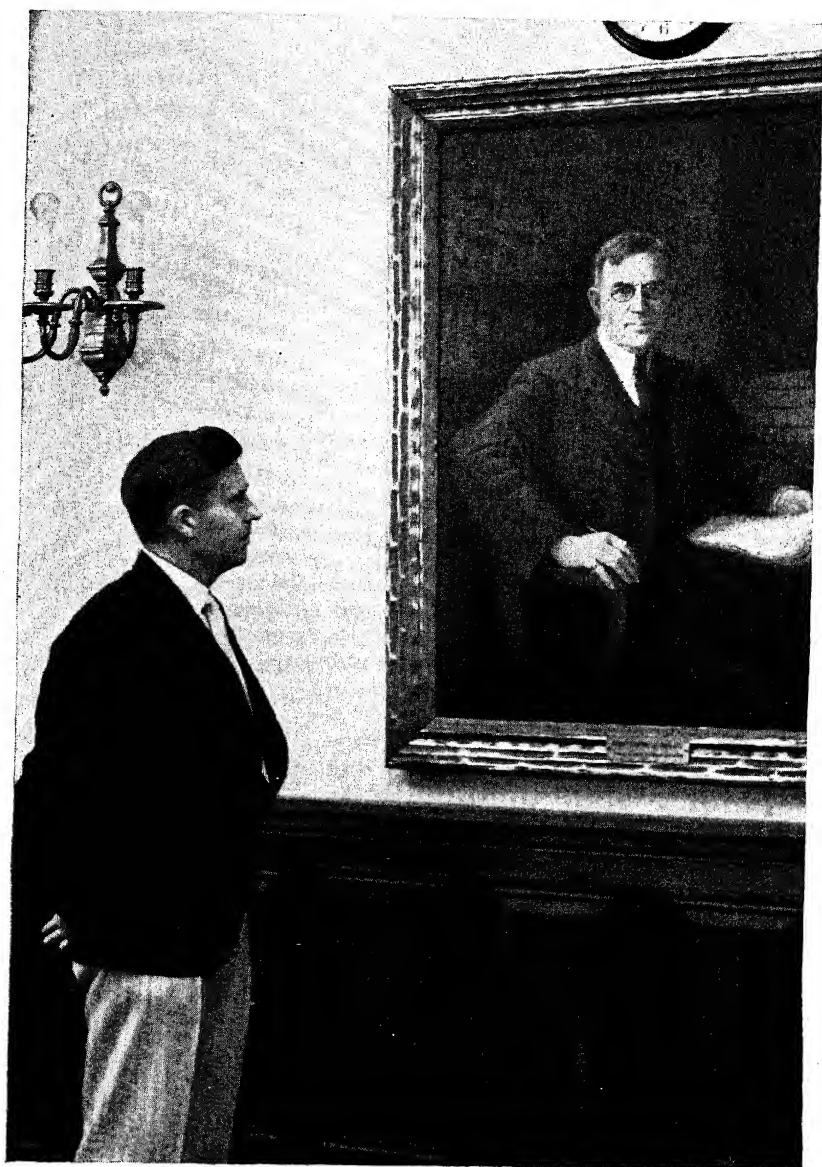
The Century of the Common Man (1943).

The seedbed of his mind and character was fertile and well-stocked when he first came to Washington. The first evidences of full growth were vigorous but by no means formed. His discourses were those of a man almost talking to himself, into a dictaphone, at first. But one thought bred another and he learned how to talk to the people, to all the people, to listen to what that aroused and to talk back, world-wide. His war against barriers that divide mankind—barriers of trade, creed, race, color, language and opportunity—have gained in reach and effectiveness enormously. He has grown to be known deservedly the world over not only as a good man but as a great man.

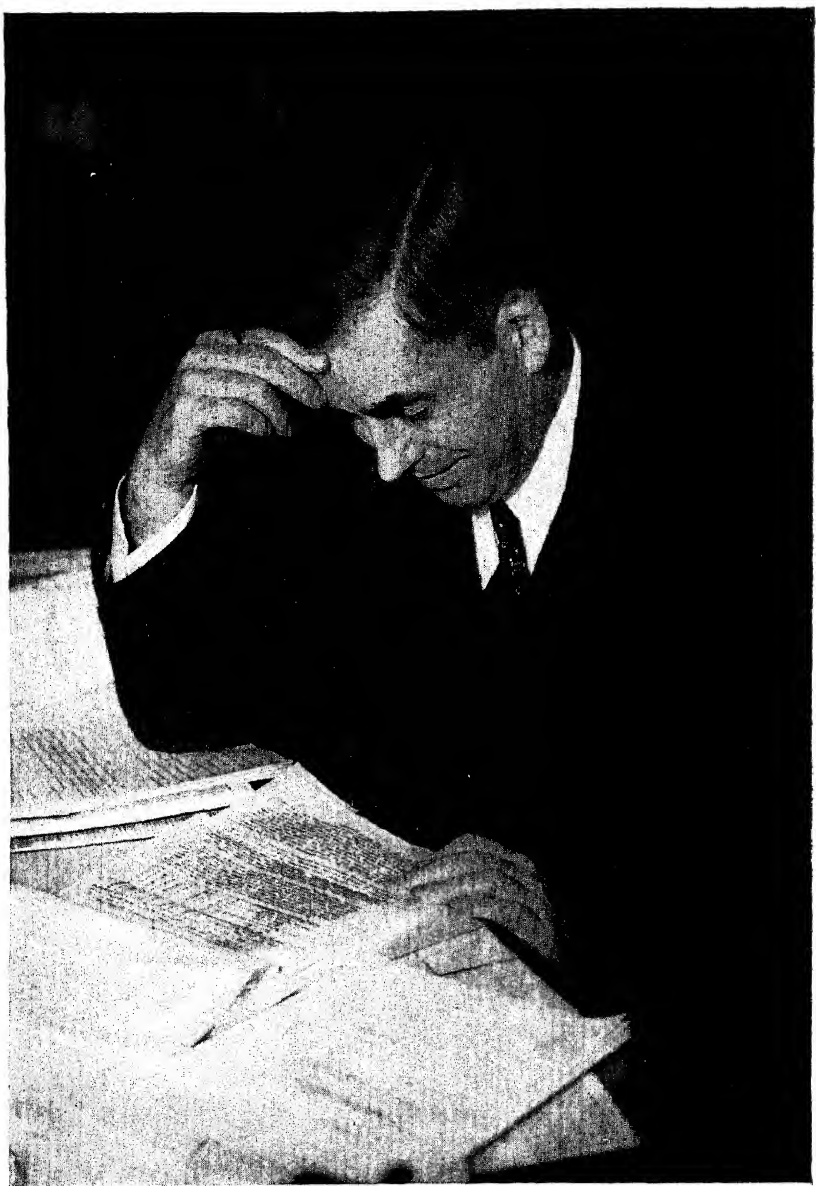
Yes, these Wallaces are a continuing growth, profoundly simple, profoundly practical. Whether this present Henry will prove to be a practical politician, in the sense of nomination-getting and vote-getting, time alone and the surging changes of global war will tell. But it is certain that he will keep growing.

RUSSELL LORD

The University of Georgia
Athens, April 9, 1944



1933



1936



(Pix, Inc.)

1943



(Pix, Inc.)

1943

I: America Tomorrow

THE SPEECHES and articles in this book date, explicitly, from March 10, 1933 to May 15, 1944. It seems best to open the collection with three of the most recent. "A sort of Lincoln-Douglas progression, with Wallace doing all the debating," one Washington observer has characterized the series. Actually, his description would be better suited to the addresses and articles in the two sections to follow, wherein Wallace, a green new Secretary of Agriculture, in 1933 and 1934, was publicly weighing the hazards of nationalism on the one hand against the hazards of world trade on the other, and announcing as his one fixed conclusion: "America Must Choose."

The three linked speeches that follow were delivered successively at Los Angeles on Friday, February 4; at San Francisco on Monday, February 7; and at Seattle on Wednesday, February 9, 1944.

WHAT AMERICA WANTS

On this trip to the West Coast, I propose to talk about America Tomorrow. Today I shall speak about what America wants. Later on at San Francisco and Seattle I shall discuss what America can have and how America can get it. We want many different things and some of these are in conflict with others. But let me point out right at the start that the sum total of what we Americans can have is immense. Only a few years ago, when the President said we wanted fifty thousand warplanes a year, some people thought he was being visionary. Today we know that the production of a hundred thousand warplanes a year is a hard reality. So I tell you we can have twice as much for civilian living after the war as we ever had before the war, and you know that is no dream. There are limits, but they are much higher than most people even yet realize.

But we cannot have all these things unless we use good sense and good management. If we try to grab too much, all we shall get is another boom and another collapse. That is why we should think clearly about what each of us wants, and then about how our desires can be made to fit into a practical total, and finally how to get that total. This is the practical way of planning, creating and enjoying the common welfare.

The first and most important need has to do with the desires of plain

folks who have to work for a living in the factories and the stores, in the schoolhouses and the government offices. More than fifty million of these people with their wives and children have just one basic interest in life—the assurance of a steady job. They would like the assurance of an annual salary or, at any rate, the guarantee of two thousand hours of work a year.

Of course labor wants more than a job, wants more than decent wages; it wants to be appreciated, to feel that it is contributing toward making this world a better place in which to live.

The workers of the United States want assurance that they can have jobs when the seven million service men and the ten million war workers, who by their supreme efforts are saving us during this mighty conflict, find it necessary to get back into peacetime work. They want a plan that will solve the problem when there are more workers than jobs. Nowhere is this situation so acute as right here on the West Coast. When men begin to hunt for jobs, the bargaining power of labor begins to weaken and union funds begin to melt away. Workers everywhere know this and therefore are beginning to think in larger terms than merely bargaining for higher wages, shorter hours and better working conditions. They want to have a part in making those decisions which will determine the future prosperity of the nation. They want to influence government and industry to bring about full use of manpower, full use of resources and full use of technological know-how.

With the United States producing in peace as it has been producing in war, the workers know that they can have opportunities for leisure and culture, and above everything else possibilities for the real education of their children.

Workers want better insurance against sickness, unemployment and old age. They want the Wagner Act, not as a substitute for full employment, but as insurance against the accidents to which all of us are subject. When, in the postwar period, contracts are cancelled, American labor wants work, not a dole. The Wagner Act can never be a substitute for jobs, but combined with jobs it is admirable.

Organized labor has come of age. It has taken its place as a responsible partner of management in the operation of industry and trade. It has accepted responsibility in war for maintaining an increase in production. It has the right to ask for fair and honest treatment from the public.

As a responsible partner, labor wants an opportunity to make creative contributions to industry and to benefit therefrom. During the war, hundreds of thousands of workers have submitted ideas for increasing efficiency, enlarging output, saving time and costs, and improving the quality

of the product. Labor during the war has enjoyed cooperating with management in doing a real production job, and we must never again let such a rich source of national wealth go untapped.

The farmer has more wants than the worker because he himself is not only a worker but also a manager, a capitalist, a trader and a debtor. The farmer is exposed both to weather and markets beyond his control. A farmer's first desire, therefore, is to remove the extraordinary hazards of his business. His first want is the assurance of decent markets, low freight rates and reasonable marketing costs. The farmers want low interest rates, a chance to buy farm machinery and fertilizer at low prices. As a purchaser, the farmer knows that he has long been victimized by monopolies both when he sells and when he buys. Farmers want good roads, good schools and rural electrification at low cost. Farmers love the soil and want to be able to handle it so as to leave it to their children better than they found it. Above all, farmers want to produce abundantly, to see the fruits of their labor raise the living standards of mankind.

In recent years farmers have become more and more interested in getting legislation which would give them bargaining power equivalent to that enjoyed by labor and industry. Thousands of farmers have become skilled Washington lobbyists. Having learned the Washington lobby game, they intend to use federal power to hold up farm prices after the war. Some false farm leaders use the farm lobbying power to help business against labor, just as some false union leaders use their lobbying power to help business against the consumer. But the best farm leaders realize that farm prices can be maintained in the postwar period only if labor is fully employed at high wages, just as the best labor leaders realize that good wages and full employment cannot be long enjoyed unless the farmers are prosperous. All farmers, like all workers, want stability and a rising standard of living.

Some, but not all, big businessmen want that type of control which will produce big profits. They want to put Wall Street first and the nation second. They want to put property rights first and human rights second. They will fight with unrelenting hatred through press, radio, demagogue and lobbyist every national and state government which puts human rights above property rights.

To its own conscience this selfish, narrow-visioned branch of big business puts its desires in mild-sounding phrases somewhat as follows: "We must have an economically sound government and a balanced budget. Government spending must be cut down. We must get rid of that 'so and so' in the White House. Then with government out of business and with Wall Street running the country again, we can have what we want—free

enterprise. Yes, the free enterprise of old-fashioned America is what we really want."

By free enterprise this type of big business means freedom for freebooters. By free enterprise this type of big business means the privilege of charging monopoly prices without interference by the government; the privilege of putting competitors out of business by unfair methods of competition; the privilege of buying up patents and keeping them out of use; the privilege of setting up Pittsburgh plus price-fixing schemes; the privilege of unloading stocks and bonds on the public through insiders who know their way in and out, up and down, backwards and sideways.

Fortunately, not all big businessmen ask for these privileges or define free enterprise in the way I have just mentioned. Some of them are as deeply concerned with the problem of full employment as labor itself. They are anxious to see such modification in taxation laws as will place the maximum incentive on that type of business activity which will give full employment. Some of these larger businessmen have marvelous new inventions which they would like to put into volume production at the earliest possible moment. Such men are oftentimes more interested in increasing production, and thereby serving humanity, than in making money for money's sake, but they know that even from the standpoint of serving humanity, it is necessary to make a reasonable profit if this private enterprise economy of ours is to survive. Therefore they want the assurance of large and expanding markets.

The small businessman is just as interested in free enterprise as the big businessman, but he means something quite different in his use of the word. Free enterprise to the little businessman means the opportunity to compete without fear of monopoly controls of any kind. The small manufacturer wants free access to markets and the assurance that he will not suddenly find himself crushed by some hostile financial power.

The small businessman in his way is just as much a typical American as the small farmer. Some of his relatives may be workers, some may be farmers or one of them may actually be a big businessman. The small businessman is the source of a large part of the initiative of the United States. The small businessman is humble, ambitious, confused and uncertain. He is not very happy because, in war and in peace, the rate of economic casualties among small businesses is so high.

Moreover, the small businessman is not sure that the situation will be any better for him when peace comes than it is right now. The small businessman wants a fair chance to compete in a growing market with fair access to raw materials, capital and technical research. These desires

are not unreasonable but they will require some protection by the government.

Some of the businessmen who most want to serve the world in the postwar period are among those who have rather recently graduated from the ranks of the small businessmen into handling large affairs in the war effort. Because of his unusual capacity, this kind of man has made large sums of money during the war, but has paid nearly all of his profits to the government. He will come out of the war with large plant facilities. He wants to know how to reconvert as fast as possible. His success has often depended largely upon his fine relationship with labor. Appreciating the loyalty of labor, he wants to give his workers jobs in the postwar period, not so much from the standpoint of making money as from the standpoint of doing things both for his workers and for the country. Such men are in some ways the hope of America and of the world. I hope the postwar slump will not be so big when it finally comes as to make it possible for the large static corporations with huge cash reserves to take over the establishments which these energetic men have built so skilfully with the cooperation of loyal labor. Big businessmen must not have such control of Congress and the executive branch of government as to make it easy for them to write the rules of the postwar game in a way which will shut out the men who have made such a magnificent contribution to the productive power of America during the war. We need them to furnish the jobs which are so important both to labor and to agriculture.

The Big Three—Big Business, Big Labor and Big Agriculture—if they struggle to grab federal power for monopolistic purposes are certain to come into serious conflict unless they recognize the superior claims of the general welfare of the common man. Such recognition of the general welfare must be genuine, must be more than polite mouthing of high-sounding phrases. Each of the Big Three has unprecedented power at the present time. Each is faced with serious postwar worries. Each will be tempted to try to profit at the expense of the other two when the postwar boom breaks. Each can save itself only if it learns to work with the other two and with government in terms of the general welfare. To work together without slipping into an American fascism will be the central problem of postwar democracy.

Let us consider for a moment what the Far West wants. It is prodigiously rich in natural resources which promise a greater future development for this region than for any other in the country. To accomplish this development expeditiously, the West will require investment capital, additional transportation facilities and more workers. It will require lower and non-discriminatory freight rates and access to technologies. It will

need development of its hydro-power resources and great increases in irrigation to take care of the food requirements of a growing West and a wealthier country generally. The West looks forward to a future in which the trade of the Pacific will rival that of the Atlantic. The West wants and is entitled to more influence in Washington, D. C.

In the broader interests of the nation, it is apparent that what is wanted is a balanced development of all the economic resources of *all* regions, for whatever raises the economic level of one region creates new markets for other regions.

As citizens, the most urgent want is to be accurately and intelligently informed on all the issues which confront us. There must cease to be secrecy in public affairs, except where military necessity requires. In a democracy public officials must trust the people. The greatest responsibility, however, rests on the press and the other agencies of public information, a responsibility which the workers who gather and prepare the news will enjoy discharging if they are given the opportunity. The press, the radio and the other agencies of public information must take the lead and carry the major responsibility for our greatest assignment in mass education—the education of our people for political and economic democracy.

As citizens of a democracy, we must all be vitally concerned with the adequacy of the education available. Many adults want opportunities to complete their educations, to prepare for better jobs, or to develop new interests. The training of our citizen army has demonstrated the potentialities of adult education to millions; when demobilized, they will demand comparable opportunities in peace.

The wants of the returning service men mean more to us right now than the wants of anyone else. In this year 1944 a grateful nation is determined not to let the service men down. These men are entitled to job priorities and mustering-out pay. They will want the same things as workers and farmers but they will want more. During the war millions of them have learned to walk with death, pain and severe physical hardship. They have learned to love their country with a fierce patriotism. They forgot about money. Big profits, higher wages and higher prices for farm products meant nothing to them. Therefore they learned to hate pressure group warfare. They may return to private life and become a pressure group for the general welfare. Their disgust with pressure group politics, wrongly channeled, could lead to a new kind of fascism, but rightly directed it may result in a true general welfare democracy for the first time in history. These young men will run the country fifteen years hence.

As citizens we want competent and honest government all the way

from the local community to Washington. We want a government that uses its powers openly, intelligently and courageously to preserve equality of opportunity, freedom of enterprise and the maximum of initiative for all the people. We want a government which will recognize those things which it can best provide in the interests of all—security of persons and property, freedom of religion, of speech and of thought, education, public health, social insurance, minimum labor standards and fair standards of competition—and then effectively discharge its responsibilities.

As consumers, our wants merge into the general welfare. Our dominant want is for an efficiently functioning economy—full employment of labor, capital and technologies, a balanced development of all regions, the preservation of genuine free enterprise and competition to assure progress and a rising standard of living, the avoidance of business ups and downs, and no exploitation of labor, capital or agriculture.

We all want jobs, health, security, freedom, business opportunity, good education and peace. We can sum this all up in one word and say that what America wants is pursuit of happiness. Each individual American before he dies wants to express all that is in him. He wants to work hard. He wants to play hard. He wants the pleasures of a good home with education for his children. He wants to travel and on occasion to rest and enjoy the finer things of life. The common man thinks he is entitled to the opportunity of earning these things. He wants all the physical resources of the nation transformed by human energy and human knowledge into the good things of life, the sum total of which spells peace and happiness. He knows he cannot have such peace and happiness if the means of earning peace and happiness are denied to any man on the basis of race or creed.

The common man means to get what he is entitled to. Any failure to utilize our resources to the full will cause him to throw over any system which he thinks stands in his way. The impulse of humanity toward full use and full expression is now so intense as to be identical with life itself. We who love democracy must make it politically and economically a capable servant of the irresistible instincts of man and nature.

All of us want to be needed and appreciated. We want to feel that the world would be a poorer place if we died. We want to enjoy the world, contribute to the world and be appreciated by the world each in his own little way.

The bitterness of the depression was that so many millions were cut off by unemployment. That is the bitterness we do not want to see again, when the war is over and the boys come home. We want reasonably full

employment so that every American can feel himself a member of his country.

We have the materials to work with. We have the science and technical skills to direct our work. We have innumerable desires for goods and services that we are able to supply. All we need is good management and harmony, less grabbing for ourselves, and more cooperation for the general welfare. Legitimate self-interest can be realized in no other way. By working together for victory in war we have made a resounding success. By working together for the common good in peace we can get results beyond what most Americans have dared to hope.

WHAT AMERICA CAN HAVE

At Los Angeles I sketched briefly what America wants. Here at San Francisco I propose to describe what we can get if we really want it badly enough to plan and work for it.

Let me first do what I can to kill the myth that the gigantic war debt will stand in our way. We can pay the interest on this debt and have a standard of living at least fifty percent higher than in the decade of the thirties. With reasonably full employment we can have a national yearly income of more than 130 billion dollars. We can produce 170 billion dollars of goods and services annually. This is no dream, for in 1943 we produced more than 190 billion dollars of goods and services. With such an income we can carry the interest on our war debt and still have a whole lot more left over than we had at the top of the boom in 1929. The interest charge on all debts, private and government, in 1944 will represent only seven percent of our national income or no more than in the decade of the twenties.

But if we allow the thought of the national debt to scare us, it will hang as a millstone around our necks and we shall all be sunk in a sea of unimaginable difficulties. There is just one way to treat the war debt, and that is to remember that it can be carried easily if all of us are able to work hard and to use our natural resources and human skills to the maximum. The goods produced when we work hard and are fully employed will find a market if we raise our standard of living by forty percent. We can enjoy the things we have always wanted and thereby create such prosperity that we can carry the national debt easily; or we can pinch and save and bring on a depression, and let the national debt crush us. Farmers, workers and businessmen can all prosper, provided they are all

willing to cooperate with each other and with government in furnishing the American people the things they ought to have, and then in buying and using the things that are offered for sale.

The important point now is to tell the American people about the things they can have two or three years after this war is over. We mustn't take "no" for an answer. The more we insist on getting the right kind of goods, the greater a market there will be for all of us. There is just one proviso. We can't afford to demand things that will hurt the welfare of the American consumers as a whole. Farmers, workers and businessmen can't afford to cut each other's throats.

Now let us talk about these things we can have, things over and above a new car and new radio, things that it is our duty to have if this American civilization is to grow and go forward. First, there is health. The people of the United States would be at least thirty percent more efficient if they were in maximum good health. They would then be effective to a ripe old age, instead of often half effective only to middle life. Two generations ago in the United States every city dweller had to boil drinking water or run the risk of dysentery and typhoid. We cut down the death rate enormously when we made it possible for the people in the cities to get safe drinking water at a modest cost. At even less cost than for clean drinking water, we can see that liberal dosages of vitamins are added to flour and cornmeal, thus wiping out at one stroke the vitamin deficiencies which undermine the health and vigor of so many millions of our citizens, especially those who are past forty years of age. At a cost of two dollars per year per person, it would be possible to wipe out all vitamin deficiency diseases, extend the working life of the average individual ten years, and, of course, increase the vigor of at least half of our population. Any intelligent person operating the United States for profit would undoubtedly spend at least 250 million dollars a year for vitamins. By so doing he could get his money back in increased output ten times over the very first year.

Second to good and plentiful food, I would put good and plentiful hospitals. With more hospitals adequately equipped and staffed, combined with a commonsense public health program, we can stamp out tuberculosis, syphilis and possibly malaria. Everyone in the United States ought to have an annual physical checkup and have the privilege of going to a hospital if a competent doctor thinks it necessary. If it is wasteful to let a soldier go without proper medical service, it is just as wasteful to let any American be sick for lack of proper medical attention. We ought to be spending four times as much on hospitals and doctors and nurses as we

are now spending and we should be getting at least ten times as much good out of the medical profession as we now get.

After good health, and closely allied to it, I would put good housing. Most of the houses of the United States are out of date and seriously run down, especially on the farms. Governmental housing authorities, both in England and the United States, have learned a lot about cheap, good housing during the past five years. With money available at low rates and with various types of monopoly rackets eliminated, both government and private industry can build good houses at amazingly low cost. Prefabrication will play its part in bringing the cost down. As soon as we have settled down after the war, we should build at least a million houses a year until such time as we have completely modernized ourselves. Ten years from now we shall find that struggling along with an old house is like tinkering with an old car which every few weeks runs up an expensive garage bill. When the house of the future is perfected as it can be, it will be possible for the housewife to do her cooking, cleaning and marketing with one-third the labor which she now expends.

Next after housing I would list rural electrification. We can furnish electricity to every house in the United States except in those exceptional areas where the population is thin and the distances between farms are too great. With electricity practically everywhere, three-fourths of the housewives should have not merely electric refrigerators but also quick-freeze or deep-freeze machines to carry garden stuff and meat over from the time of seasonal plenty to the time of scarcity. Electricity widely spread, combined with good roads, cheap automobiles and special types of machines for small farms, will result during the next ten or twenty years in millions of families relocating on small acreages within driving distance of the factory or business where the man of the house works. Fifty years ago the slogan "Ten acres and liberty" was a trap which made fools out of most of those who fell for it. But today, with all the conveniences which rural electrification and good roads make possible, five or ten acres can furnish an enjoyable and profitable outlet for the energies of a growing family. Sunshine and fresh air, combined with good milk and eggs and the vegetables and fruits which can be preserved the year around, will make the small farm a joy forever to all of those who have any instinct for the soil and the living plants and animals which grow upon it. Rural electrification, and the inventions which naturally go with it, will hasten the march of the common man back to the country and nature. It will restore to the family much of the significance which it had a hundred years ago. A small farmer who works most of the time in town can, with the help of his family, produce more than half of the food which

he eats. He can also have a little in the way of vegetables, eggs and milk to sell. Small, part-time farming near a city can become so important by the year 1975 as to be one of the significant balance wheels of the nation.

So far as farmers generally are concerned, there are great things ahead, provided we can avoid a serious slump by having full employment in the nation at large. The future farm economy can easily feed the fifty million undernourished people better, provided they are well employed. Heretofore these people, except during a time of war, have never had enough to eat for the simple reason that they couldn't earn enough to pay for it. The biggest single marketing problem in American agriculture is to make sure that these people earn enough so that they can afford to buy the right kind of food. When the unusual European demand stops, as it probably will within a few years after the war comes to an end, it is important that these undernourished people come into the market with greater demands and more money to pay for what they want.

Technologically, the farmers will benefit from many new devices. In the West there must be more and more land brought under irrigation until all of the surplus water is utilized. Maximum water storage, both for irrigation and for power, will be needed if the Far West is to support the vast population which her manifest destiny so clearly foretells. Nothing must stand in the way of this destiny because it is the destiny of the United States itself to look as much toward the Far East as it now looks toward Europe. I well remember in 1909 sitting in Sacramento with W. A. Beard, the California member of Theodore Roosevelt's Country Life Commission, speculating as to what would have happened if the Pilgrim Fathers had landed at Golden Gate instead of at Plymouth. A New Zealander was saying to me the other day that some day San Francisco will contain as many people as New York City. I can hear the tramp of the coming millions as they move in to fulfill the destiny of the West.

Perfect types of tractors and ground-tillers are certain to come into use after this war. New fertilizers, new varieties of crops, new methods of feeding and better methods of soil conservation will be perfected. The revolution in agriculture which started with improved farm machinery three or four generations ago and with the discoveries of the Experiment Stations will proceed with accelerated pace. The ability of one farm family in the United States to feed itself and four families in town is the strength of our great nation both in war and in peace. This efficiency must and will be further improved. The only thing which can stand in the way of it is unemployment long continued in the cities, for the two indispensable halves of prosperity are growing efficiency matched by growing markets.

Next after improved health, universal electrification and improved

agriculture, I would list as a sound business proposition better schools, especially in rural America. Our children can grow up to improve and enrich this nation only if they have good food, good schools and good direction. We need more and better schools, more and better teachers. We need and can have federal aid for those sections of the country where because of poverty the school system is lagging. The poor, agricultural regions are rich in children whereas the rich, city wards are poor in children. Therefore the children and the grandchildren of the poor have a significance far greater even than their own ancestors would have dared hope. The prevention of youth erosion is more important than the prevention of soil erosion. It is even better business to stop youth waste than to stop soil waste. Educational opportunities for young people must come first; but as the Scandinavians discovered, improved adult education is a tremendous additional asset for any nation.

The ten million families at the bottom of the pile in the United States have demonstrated during the past two years that they can do good work, provided they have enough to eat and the opportunity to get good training. The salvation or damnation of the United States depends in considerable measure on how efficiently we can keep these people at work. If they are kept at work at good wages, they can furnish an annual market for at least fifteen billion dollars' worth of goods and services. If these people are at work they will buy something like a million cars a year from the automobile market. The women of these families, if they have the money, will buy nearly two billion dollars' worth of clothing and household furnishings. If they can be assured of steady jobs, these ten million poorest families will furnish a market for at least a hundred thousand new homes every year. Also we shall have, instead of human waste and misery and burdensome charity, ten million busy, hopeful families.

People talk about acres of diamonds or gold mines in the backyard. The real gold mine in our national backyard is the ten million poorest families who before the war bought only about five billion dollars worth of stuff a year, but who can easily furnish a market for fifteen billion if they are given opportunities in the postwar period.

When I talk at Seattle the day after tomorrow, I shall have something to say about how these people can be put to work. Tonight I am only saying that they can and must be given jobs. Their productivity, the size of the market which they can contribute to our businessmen and the health and education of their children mean too much to the rest of us to be neglected.

We can and must give our poorer people a chance to work productively if we are as serious about total peace as we have been about total war.

Most of the new goods and services we want after the war can be supplied by private enterprise. But some of the services and some of the employment will have to come from public works, which too are a source of employment.

Every township, every county and every city in the United States should list both the private enterprise and the public works projects which it would like some day to have. Provided these schemes have fundamental merit, we can have eventually all the things that make for a high standard of living—good roads, airfields, flood control, parks, recreational projects, conservation and planting of forests, conservation of wildlife, conservation of soil, regional T.V.A.s and all that vast multitude of things which the government can do and which no individual can. All of these activities are self-liquidating from a long-run national point of view. They should be carried on in all years except when there is danger of inflation or shortage of labor.

The greatest economic sin is waste of human labor. In the decade of the thirties waste of human labor deprived this country of 200 billion dollars of goods we might have had, or more than the war has cost us to date.

The greatest threat to a balanced budget is unemployment. Unemployment is the one thing that can break all of us. A would-be statesman who in the name of budget-balancing costs a million people their jobs will cost the national income two billion dollars a year. That is a lot to pay for a few wrong ideas. The problem of budget-balancing is first of all one of keeping people fully employed producing efficiently the things we want. We have the people and the resources and the technical "know-how" to produce more than we ever dreamed we could. But we must have also the management "know-how" at the statesmen's level to keep these sources of wealth fully employed. Without that "know-how," our economy will be as helpless as the Army and Navy would be without a General Staff. Then the budget can be balanced and the national debt can be kept under control. No such results can be hoped for if we drift into a kind of unemployment by default. You can't beat something with nothing; we can't beat unemployment with anything but positive programs aimed at full employment.

There will be one great test of statesmanship after the war, and that is: our ability to maintain the maximum useful employment over a long period of years and at the same time preserve our democratic liberties. I say to the people of America that we will win the peace only if we keep the people of our country at work—in freedom, in the increased production of goods that promote the public welfare and give us an opportunity to enjoy life and educate our children. We have proved that in war, when

our will is roused to a great purpose, we can put forth efforts and rise to levels of national prosperity beyond anything in our history. We have found the leaders in government, in business, in agriculture and labor who, together with the millions in every walk of life, have revealed our great productive power. In peace, when we are free of the terrific waste of warfare, we can devote our will and our efforts to improving our country and we can attain results beyond anything we ever had previously hoped.

We can, if we will all co-operate, produce more peacetime goods in 1954 than we did of total goods in the war peak year of 1944. The Nazis say that only war can call forth a supreme effort. I say that the challenge of peace is even greater than that of war and that we can and must measure up to it in terms of increased productivity and vital living.

AMERICA CAN GET IT

There once was a man by the name of Job. Job had a lot of hard luck, and worst of all had to listen to the false consolations of three so-called friends. After it was all over, the Lord was pleased with Job and gave him twice what he had had before.

The United States in some ways is like Job. We are now going through great adversity, but after it is all over we can have nearly twice what we had before. The problem with us, as with Job, will be largely a spiritual one. Once we get our minds clear and our hearts pure with regard to certain fundamentals, we shall make extraordinary progress. I am not talking about human perfection; I am talking about a little more vision in our own long-range self-interest. Heretofore we have never been permitted to use to the limit our reserve of natural resources, manpower and technological skill. Now we have no choice. There is no halfway point. It is "Pike's Peak or bust." Curiously enough, the full utilization of our resources, manpower and skill is the formula both for our necessity and our blessing. Its application will require a great spiritual strength, and in the process of developing that strength in a practical way we shall bless ourselves and the world. The problem of full utilization of all resources is first economic and second political.

The economic explanation of how civilized nations drifted into practices of scarcity goes back to the rise of factory mass production, the great corporation, vast investment and banker control in behalf of investment security. Modern factory civilization has become highly geared and there

is always danger of tremendous over-production unless mass purchasing power is geared to match it. This fear can vanish only if as much imagination is put into the art of distribution as into the science of production. Many who have tried to finance a business in Wall Street have found that scarcity economics is the very heart of the system. The Wall Street financing house will demand control of the most important type of stock issue, and then will want to make sure that a loan to the new concern will not imperil, because of competition and new methods, the loans to older concerns. Wall Street calls this system "businesslike." I deny that it is businesslike, and say that it is the dead hand of the past trying to make a profit by blocking the progress of business. The day has now come when we must release the business system to act through increased production for the benefit of all the people. Many businessmen now understand this as they couldn't have understood it in 1929.

I have asked several friends who have visited Russia during the past eighteen months what we could learn from Russia to make our system work better. Invariably the answer has come back, "Give our workers more incentive, more free enterprise, more initiative. Hold the profit motive out to them in the same way as the Russians." Donald Nelson tells me that he visited a number of towns in eastern Russia and western Siberia which three years ago contained less than 200 thousand people but which today number from 600 thousand to a million. There he saw steel furnaces as large and well-equipped as any we have in the United States. There he saw production goals scientifically set for different groups of workers. There he saw large cash prizes given to the men who went furthest beyond their quotas. The Russians can't understand how we can get along in the United States without giving our workers incentives of this kind. Nearly everyone in Russia feels he is directly working for the welfare of the whole nation. He has no fear whatever that he is being exploited for the sole profit of the management or stockholders.

Another friend, a Latin American who is living in Russia at the present time, wrote me under the date of last November, "What you in the United States preach on Sunday the Russians do here every day."

That the Russians could go so far in the past twenty years and evoke such an extraordinary response from the people in time of stress is the greatest indictment I know of the scarcity economics as practiced by those who believe that profit and free enterprise are only for the few.

We are not going to use the Russian political and economic system here in the United States. It was made for Russia and not for us. But the system of rewarding men for inventing improvements in their own jobs is already well established in some progressive American industries. Once

the management and the workers learn to trust each other and to work together, it is proved that they can get a spectacular increase of output. Both Russia and America are showing the advantages of good engineering. Under free competition we may hope that the less progressive companies in America will be obliged to catch up to the best practice. The problem is whether we can modernize the backward areas in our present system so as to make it stand from top to bottom for full use of resources, full use of skills, full use of inventions, without the bottlenecks created by cartels, unfair banking control, unwise labor restrictions, or unenlightened farm leadership. As we face the future, the leaders of the great pressure groups must ask themselves continually, "Is my pressure group in its demands helping the general good? Is my corporation in its program doing what it can to bring about full employment? Or are we just trying to get a rake-off by obstructing full activity? Are we fighting for the biggest piece of the pie as it is, or are we also trying to increase the present size of the whole pie?"

One aspect of modern scarcity economics is the belief that men will work only when they are hungry and that they will stop work when they have enough money to keep their bellies full for three or four days. This cynical attitude of exploitation of the many for the benefit of the few has no place in modern civilization. The moment the many are taught to read and write, to build better homes, to eat better food, to see an occasional movie, to listen to the radio, desire is created and markets are enlarged. People want more and are willing to work to get what they want. This increased longing of the people for light and abundance is going on at an increased tempo all over the world.

The modern Russians, as well as enlightened employers everywhere, have never believed in the "Keep them hungry—keep them in darkness" system of economics. When they evacuated workers by the hundreds of thousands from Leningrad, Kiev, Kharkov and Stalingrad, to escape the advance of Hitler's armies, they evacuated the artists along with the workers. As a result you find today the finest Russian drama and concerts in towns with names which not one of us in a hundred in the United States can pronounce or locate on the map. The Russian art is for the people, not merely for those who can afford to pay five dollars. The Russians know, and we know, that man cannot live by bread alone. We have been accustomed to think that it was the United States that was prepared to give all men food, education and an opportunity to work and live in freedom. Let us live up to our own national ideal. Once all of us wholeheartedly adopt the doctrine of economic abundance instead of economic scarcity, we can have nearly twice as many of the good things of life as

we had before. Incidentally, it's the only way in which those who have can hang on to what they've got. We must pull together for a glorious future. We must not pull at cross purposes until a time of dark despair is upon us and archangels rather than ordinary men will be needed to get us out of our mess.

One serious danger of unemployment, for example, is in those industries producing machine tools and machinery for big construction jobs. These industries did a marvelous job preparing us for a magnificent war effort. Their services will be needed all over the world—in China, Russia, India, all Latin America and Africa, and in the United States, building flood control, irrigation and power projects, building roads and equipping factories. At the end of the war we shall have a tremendous surplus of these goods and services. The whole world has a great hunger for them. The question is to discover some sound method by which the world can pay for them. Our young men shall open undreamed-of frontiers which will unleash tremendous purchasing power to keep the world economy revolving for a half century. But these dreams will not come true unless the world can discover some practical method of paying the United States. The basic method of payment is of course through goods. If we keep our people fully employed, we shall require fully twice as much in the way of imports in 1949 as in 1929 in order to keep our factories running. Furthermore, from the standpoint of national security we must purchase certain strategic materials. The United States must build up large permanent stockpiles of those materials of which this country has been proved to be short in time of war and which can be preserved without loss.

Russia wants machine tools. All right, let Russia pay in terms of manganese and platinum, of which she has a surplus. China wants an irrigation system. She has more tungsten than she needs for her own use. Let her pay in terms of tungsten. Persia wants a power project. She can pay in terms of oil, which we can store in underground reservoirs. Chile wants to build some airports. Let her send us copper and nitrates. There are at least twenty strategic materials of which we are seriously short in the United States as a result of our tremendous war effort. One of the best ways to make sure that there will not be another war is to build up in all the peaceful countries of the world such large supplies of the materials of which each is short that no friendly nation anywhere in the world will ever be caught helpless by sudden attack. The manganese, the copper, tungsten, platinum, oil, etc., will be of great value to us in terms of security and real wealth. The export of these machine tools, equipment and construction services will greatly increase the wealth and production power of friendly nations all over the world. If this is properly

done the result in fifteen years will be to draw the world together by highway and airway so that every man in truth will be the brother of every other man. We shall appreciate economic interdependence as we never have before. We shall know that a prosperous Asia helps to make America prosperous. We shall know that the prosperity of the poorest is of great significance to the most well-to-do. It has to be that way in an economy of abundance. It is only in an economy of scarcity that the few can sit on top and scorn the misery of those below.

After the last war several groups of hardheaded businessmen decided that they would make profits for themselves without regard to harmonizing their individual activities with the needs of our foreign economic policy. One group did its best to expand its sales of goods and services to the world. It made money. Another group loaned money to foreigners and sold bonds to the Americans. It made money. The bonds sold by the second group furnished the money which paid for the goods sold by the first group. Europe got the goods and the services without paying us what she should have paid, for the simple reason that we made it impossible for Europe to pay in the only way she could pay. Because Europe couldn't pay, the unsuspecting investor in the United States got bonds that often turned out to be worthless. The hardheaded businessmen made their profit but they helped destroy the general welfare not only of the United States but of the entire world.

The same type of so-called hardheaded businessmen will exist after this world war as after the First World War. Some of them will have the same kind of unsound finance to sell. We must not let them lead the world astray again. We must not let such men lead us headlong toward another worldwide depression and World War III. The best brake on such men will come from other businessmen who see the world picture more clearly. Such men will help this country to rise to abundant prosperity and in that way will give other countries a greater chance to sell their goods to us. The trading of the United States' goods and services for huge stockpiles which can be unlocked in times of national emergency is one way of making sure that we get paid for our exports. Another way is to encourage tourist travel.

The furnishing of our goods, services and engineers for the building of great construction jobs all over the world is only a small part of our task of making full employment here in the United States. The big job is to supply to the 135 million people in the United States a standard of living which is at least forty percent higher than it ever was prior to the war. That's the greatest single contribution we can make to greater foreign trade. We must have no business booms, no business busts.

We want efficient planning but without regimentation. Our chief need is the green and red light kind of regulation. We want carefully designed rules of the road which will not block traffic but release it.

In order to get full employment, together with the maximum of free enterprise and profits for the many instead of the few, it will be necessary after the war to use our taxation system for economic objectives much more skilfully than we have in the past. There is just one basis for judgment of our taxation in the postwar period and that is, "Will this system of taxation over a period of years give us the full employment of people producing the kinds of things which the people of the United States most need and want?"

Undoubtedly we shall have to continue with heavy, steeply graduated taxes on personal incomes after the war. But in the case of corporations it would seem to be wise policy to tax in such a way as to force corporate reserves either into the building of plant and equipment or into distribution as dividends. Huge corporate reserves, beyond legitimate business needs, which are held out of use are subtracted from the purchasing power of the nation. In a time of unemployment each billion dollars stored up as savings means at least half a million men unemployed for a year. Unemployed men mean less goods produced and a smaller market. By our taxation system we must encourage the small and rapidly growing enterprise because such enterprises are the seedbed of the employment of the future. But corporations which have lived far beyond the life of the founding father, and which have huge corporate reserves and which no longer expand, represent the dead hand of the past. They should be prodded awake by the right kind of taxation system so that they will find incentive for putting their money to work instead of letting it lie idle.

To get full utilization of all resources for the benefit of all the people, the most important single economic readjustment is to do away with internal trade barriers. I am referring to those monopolistic practices on the part of some manufacturers, bankers, labor unions, doctors and farm organizations which serve their own welfare without regard to the welfare of the unorganized. I don't say that each member of each of these groups deliberately practices scarcity economics. But enough of them do it so that there is continually sand in the bearings of the economic machine. There is enough sand so that ten million families are continually living in poor houses with inadequate clothing, without enough to eat. Except in time of war, ten million families, whether living on the land or in the city, are given an opportunity to produce only about one-tenth as much as their more fortunate fellows. The war has demonstrated what these families can do for themselves, and for the entire nation, provided

they are given an opportunity to work without the continuous imposition of bottlenecking controls.

It is not necessary to break up the big organizations which have deliberately produced bottlenecks. But it is necessary that in time of peace there be created a moral climate, backed up by a big stick in the Department of Justice, to convince every monopoly group that in the future its welfare can be served only by that all-out production which serves the welfare of all.

Everyone must recognize that it is sound government policy, even in terms of the large monopolistic groups themselves, for government to stimulate the economic activity of the weak on behalf of abundance economics while restraining the economic freedom of the strong to practice scarcity for temporary self-profit. There is a growing and vigorous support of this position within industry itself.

The experience of Russia during the past ten years and in the United States during the past two years has demonstrated what a tremendous job of production can be done once the monopolistic bottlenecks are effectively broken. In the investment of money, in determining volume of output, in setting prices, in bargaining for wages and hours of labor, the decision made must be the one which best promotes full employment, full production and full consumption.

The leaders of the respective groups must become experts in determining how the activities of any particular group are affected by the public good and how they affect the public good. When the respective pressure groups are led by men who know that the size of the whole pie is more important than the size of the slice they want for themselves, our fear of bread lines and soup kitchens will be over. Then every worker in the United States will have the creative satisfaction of doing his part in helping the common cause.

In many parts of the world there is a small land-owning military clique, composing one percent of the population, sitting on top of the pile exploiting the rest of the population, part of whom are workers and part farmers. The task of the century of the common man is to bring these oppressed people into the market. As their productivity and consumptive power are gradually increased, they will within a few years create for the postwar world new frontiers of unimagined richness—new frontiers of peaceful abundance. It is up to us in the United States to demonstrate by our own example the tremendous productivity and happiness of a general-welfare economy. Latin America will follow our example faster than we think, and as she follows it her economy will benefit ours and our economy will benefit hers. Speaking here in Seattle, I may say the same

applies to our relations with China and Siberia. Here at the port which is the closest of all American ports to the Far East, it is important to mention that general-welfare economics and modern technology will make the Far East a market of such vast proportions that eventually there will be as much trade across the Pacific Ocean as there is now across the Atlantic. Private enterprise is dependent upon these broadening markets for its very survival.

The political aspect of getting full utilization of all our powers is more important in some ways even than the economic. By politics I mean the mechanism whereby the people, themselves, thinking in terms of the needs and the welfare of all of the people, make clear their will to the state legislatures and to Congress so that the lawmakers will serve the people more than they do the high-pressure groups which are continually selling the people down the river. The people, standing for just one thing, namely "the maximum use of all our resources in the service of the general welfare," must guide Congress to stand for that objective at all times and to resist all pressure groups except the one big pressure group—the general-welfare pressure group. In action this means that constituents will have the good sense to re-elect Congressmen more for their national statesmanship than for their service to their local groups which are a minority even in the particular Congressional district.

The general-welfare pressure group must believe in democratic planning and must engage in it at the precinct level, the county level, the state level, the regional level. Wall Street and the Wall Street stooges say that such planning is un-American. I say that it is only by such planning that we can preserve and further develop the American way of life. It is only by such planning that we can prevent American fascists from taking us over. When I refer to American fascists I mean those who believe that Wall Street comes first and the country second and who are willing to go to any length through press, radio and demagogue to keep Wall Street safely sitting on top of the country. American fascists at this very moment are desperately striving to control the delegates to the county conventions so that they may in turn control the delegates to the state and national conventions of both parties.

Operating on the precinct level, the people, thoroughly aroused, can at any time they wish throw the American fascists out of control. They can put the man above the dollar and march straight up from the precinct to the county, to the state and to the national convention. They can see that the right men are nominated for Congress and the Senate. They can see that the Congressmen and Senators after they reach Washington are kept informed and eager to respond to Main Street instead of to Wall

Street. Dollar principles are all right insofar as they serve human principles, but when they fail in such service they have no meaning except to American fascists.

The issue is very simple. The question is whether the people, keeping themselves fully informed, can operate through democratic government to keep the national interest above the interest of Wall Street. Or will the old-line politicians, financed from Wall Street, again succeed in making Washington the servant of Wall Street. What we need in this country is a new partnership in which Main Street and Wall Street, as well as Washington, will put nothing ahead of all-out production in our America of tomorrow.

The people can come out on top provided they remain continually awake and really believe they can have a higher standard of security and a higher standard of living, and if they will not let up in their fight until they get what they want and must have. They must hold their Congressman responsible for getting that higher standard of living. They must make him feel responsible at all times to the general welfare and above everything to the principle of complete utilization of all resources, all manpower, all skills, in the service of the common man in his search for jobs. In this fight of the people it is quite possible for those who control the big corporations to gum up our system so that it cannot work. It is possible for an incipient American fascism to precipitate a depression which will defeat all the desires of labor and government and most of business. Personally, I think the big corporations are too enlightened today to do a thing of that kind. Statements by the Presidents of the United States Chamber of Commerce and the National Association of Manufacturers indicate that they realize there has been a great change in the moral as well as the business climate. Thousands of businessmen subscribe wholeheartedly to the principle of full utilization. And so I am sure that the managers controlling our great corporations will not deliberately produce a situation where there are twenty million men unemployed. Nevertheless, the people will smash their system unless they are willing to furnish such active leadership in wholehearted co-operation with labor and government as will prevent serious unemployment.

We are in for a profound revolution, partly as a result of the aftermath of two great wars and partly as a result of 150 years of modern technology and democratic thinking about the rights and duties of man. Those of us who realize the inevitability of revolution are anxious that it be gradual and bloodless instead of sudden and bloody. We believe it can be gradual and bloodless if the makers of public opinion, if the politicians, if the pressure-group leaders will only influence their millions of followers on behalf

of the public good instead of regional and class prejudices. It would be simple if light could come down from heaven, but we all know that God helps those who help themselves. The people themselves will have to educate their leaders on behalf of the general welfare, measuring every article in the press, every statement over the radio, every act of Congress by the one yardstick: "Does this help use all our resources, employ all our men, develop all our skills?" If the people everywhere hold these judgments up as a measure, we shall gradually find this principle of "goodness" permeating our national life like a leaven. In no other climate can there be profits for our private-enterprise economy. We must fight with all our might to do this thing. Otherwise we shall have a bloody revolution and slavery. Time is pressing. Victory will bring problems on us so thick and fast that we must be prepared to make instant and correct decisions.

Today we can take the necessary steps. Tomorrow will be too late. We have the resources, both material and human. We have the machines, the tools, and the skills. We have a hundred billion dollars of savings. All we need to do is press forward in confidence, believing in the complete use of all our resources. That confidence must come first; once we have it, the many specific actions on many specific fronts will all add up to a total picture that makes sense.

But if we do not press forward toward total peace in the same complete spirit as we have pressed toward total war, the 100 billion dollars will melt like snow in April and the machines and skills will become a mockery. I can't over-emphasize the time factor. We must have the full-employment, total-use peacetime system ready to begin its march the moment the wartime system slackens. Halfway measures will produce chaos, and a democracy which is afflicted with pressure-group sickness does not have the vitality to stand that chaos. There is one yardstick by which we can judge those who would lead us in the future. Are they or are they not in favor of using our resources to the utmost? When they oppose this or that specific program, are they ready with a concrete alternative to achieve the same end? It is the job of the common man to ask these questions again and again in the years ahead.

Job, before he could enter into his period of abundance when he was to be twice as rich, had to go through his time of misery and then have a change of heart toward God. We are not yet through our misery, but I have faith that we will have sufficient change of heart in all sections of the country and among all groups of our people to correct our pressure-group sickness. We are eager to save ourselves. It was never easier, and it was never more urgent. If all groups know how vitally important is a complete, full-use peace system, if we put the same energy into the peace

effort as the war effort, all the rest will be easy. We are the hope of the world. We must set our own house in order so that our light may shine as a comfort and a beacon to the whole world.

II: 1933

COMING TO OFFICE on March 4, 1933, the new Secretary of Agriculture made thirty-two scheduled pronouncements and publications between then and New Year's Day, 1934. Besides, there were countless impromptu talks to groups of contending farm leaders, professional agriculturists at odds, pressure-group manipulators, Congressmen, and visiting delegations of farmers, tradesmen and consumers. In all these pronouncements Secretary Wallace candidly displayed an astonishing duality of outlook.

He hated the mess of "overproduction" that it was his responsibility to clean up, momentarily, by measures as unprecedented as a plowdown of ten and one-half million acres, a fourth of that year's crop, of living cotton; and the premature slaughter of six million little pigs. As a plant geneticist, as a man who had bred and reared livestock, as a humanitarian and as a philosopher, Wallace had no stomach for induced scarcity. But: "We must clear the wreckage before we can build," he told his aides. When it was suggested to him that the public might be spared shock and eruption if news and movie photographers were discouraged from taking pictures of the cotton plowup, he expressed the hope that the public would view such pictures in great number and be horrified. "Rub their noses in the facts!" he said.

Many of his 1933 speeches were rapid-fire exercises in trouble shooting. There was trouble in plenty to mend. Agriculture had come to the end of "twelve long years," as he called the period since 1920, in an exceedingly shaky position and low estate. In 1921 certain farm prices had declined to one-fifth of their 1920 level. Between 1930 and 1933 one American farm in every four had been sold for debt or taxes. Between 1929 and 1932 *gross* farm income, having already suffered a ten-year decline from an inflated peak of seventeen to twelve billion dollars annually, fell to five billion dollars. This was a billion dollars below the prewar figure. Factory wages had made almost exactly the same drop, from twelve billion in 1929 to five billion in 1932. The decline of corporate *gross* income in the same period was from 161 billion in 1929 to eighty-one billion in 1932; and interest and dividend payments, even in 1932, stood at seven billion dollars, somewhat higher than gross farm income on the one hand or total factory wages on the other.

In the middle country farmers were resisting forced farm sales by a sort of passive resistance which occasionally broke over into local guerrilla warfare. In the Cotton South at scattered places tenants and dayhands were entering stores and taking what they felt they needed, with the storekeepers fearful of protesting.

The incipient New Dealers, having sought and failed to promote emergency farm legislation in the interim lame-duck Congress, called an emergency session of farm leaders to Washington on March 10. With the banks closed, many farm representatives had trouble finding the money to buy a ticket, but their people dug up the currency for them somewhere or other and they came. They came with clashing panaceas, as of old. The old McNary-Haugenites, of whom Wallace had been one, wanted to dump the surpluses abroad. The Farmers' Union wanted Cost of Production. The Grange still saw some hope in Export Debentures. The Farm Bureau was fronting for the Domestic Allotment Plan and acreage control, but its officials did not really understand the proposal as clearly as did Henry I. Harriman and other business leaders, who sensed in it a means of blocking up the producing value of land foreclosed and held by banks and insurance companies. They saw in it also a precedent which later might remove industrial and commercial combinations beyond the thwart of Sherman anti-trust persecution, through devices such as those embraced under the aegis of the Blue Eagle—N.R.A.

President Roosevelt told his Secretary of Agriculture to lock himself in a room with those farm leaders, if need be, and not let them out until they had come to some agreement about a Farm Act. Toward the middle of the same day, March 10, Wallace made, by radio, the first address of his public career.

THE FARM CRISIS

I have just come from a meeting that began two hours ago in my office and that will continue into the afternoon. The purpose is to reach an immediate agreement on a farm relief program that will affect this year's crops. The agreement will have to be immediate. We can't legislate next June for a crop that was planted in April.

There are honest conflicts of opinion. No plan can be perfect. One plan, for example, turns out to be unconstitutional. Another plan has administrative difficulties that defy the wisdom of a Solomon. Another plan may help the wheat people a little more than it helps the cotton people, or vice versa. Our job will be to get a compromise—to combine the most satisfactory features of each into a program.

The problem is clearly revealed. During the few years just preceding 1929, we were selling in foreign markets the product of roughly sixty

million acres of land. The value of those exports this past fiscal year was sixty percent below that of 1929. We must reopen those markets, restore domestic markets, and bring about rising prices generally; or we must provide an orderly retreat for the surplus acreage, or both.

For twelve years American agriculture has suffered, and suffered cruelly. This has been largely because the government could not, or would not, formulate the policies that would enable the United States to act as a nation should which is owed money by other nations.

We would not let people who owe us pay their debts in the only way they could—in goods and services. High tariffs prevented that. For a while we loaned our debtors additional funds with which to buy goods from us, but after a few years that method of lifting ourselves by our bootstraps collapsed. We could not sell our surplus farm products to them, partly because they could not sell enough to us, partly because of retaliatory tariffs, and partly because of the drive for economic self-sufficiency among European nations.

Today in this country men are fighting to save their homes. That is not a figure of speech. That is a brutal fact, a bitter commentary on agriculture's twelve years' struggle. What do we propose to do about it? The least we can do is to stay the cruel process of dispossessing farmers from their homes. In adjusting this farm-debt load, creditors also must expect to share in the losses.

It will take time to bring about an effective demand for our surplus products at home and abroad. There is little likelihood of an effective demand abroad for our surplus farm products during the next two years. Negotiating reciprocal tariffs may restore a part of this market, but those negotiations will take time. The European nations, making desperate efforts to act as debtor nations logically must, have increased their tariffs on American farm products and have handled their currency exchanges so as to make almost impossible any large purchases of American farm products. Furthermore, they have increased their wheat and hog production as much as possible.

Meanwhile, we must adjust downward our surplus supplies until domestic and foreign markets can be restored.

The outcome of the farm leaders' huddle was agreement on the need of an omnibus or blunderbuss Farm Act which would authorize the application of all the specially favored cures of agricultural distress, from acreage control to subsidized exports, leaving to the new Secretary of Agriculture enormous discriminatory powers in the choice of means. Charles J. Brand, who had fought with Wallace for the McNary-Haugen bill, but who, like Wallace, was inclined

to feel that export dumping was out of the question now, was charged to draft an Agricultural Adjustment measure, together with Fred Lee, of like antecedents. Into the drafting of the measure there entered also a brilliant and spirited legal wheelhorse of urban antecedents, Jerome Frank. Disagreements within the Department and then in Congress consumed two months while the sun shone, rains fell, and a still ungoverned and expanding acreage of cotton and wheat took root. The carryover of stored wheat was three times normal at the time; the carryover of cotton was also three times normal. Domestic purchasing power was at low ebb; and there was no prospect of an immediate increase in paying foreign custom. Hog prices were down to one third of normal and the foreign market had disappeared.

"A new and untrod path," the President has called this Farm Act in the message submitting it to the Congress. (Purists pointed out that an untrod path was not a path at all.) On May 12, 1933, the Act was passed. The President had planned to make a Fireside Chat to acquaint the country with its scope and intent. But an anticipatory lift of prices, bearing hazard of an undue inflation, made him shift his chat to an anti-inflationary tone, and on May 13 Wallace went on the air instead to announce what he called—

A DECLARATION OF INTERDEPENDENCE

The new Farm Act, which the President signed yesterday, initiates a program for a general advance of buying power. It is not an isolated advance in a restricted sector; it is part of a large attack on the whole problem of depression.

Agriculture and tradesmen must make their way together out of a wilderness of economic desolation and waste. This new machinery will not work itself. The farmers and the distributors of foodstuffs must use it, and make it work. The government can help map lines of march, and can see that the interest of no one group is advanced out of line with the interest of all. But government officials cannot and will not go out and work for private businesses. A farm is a private business; so is a farmers' cooperative; and so are all the great links in the food distributing chain. Government men cannot and will not go out and plow down old trails for agriculture, or build for the distributing industries new roads out of the woods. The growers, the processors, the carriers and sellers of food must do that for themselves. Following trade agreements, openly and democratically arrived at, with the consumer represented and protected from gouging, these industries must work out their own salvation. This

emergency Adjustment Act makes it lawful and practical for them to get together and do so. It provides for a control of production to accord with actual need, and for an orderly distribution of essential supplies.

In the end, we envision programs of planned land use; and we must turn our thought to this end immediately; for many thousands of refugees from urban pinch and hunger are turning, with little or no guidance, to the land. A tragic number of city families are reoccupying abandoned farms, farms on which born farmers, skilled, patient, and accustomed to doing with very little, were unable to make a go of it. In consequence of this back-flow there are now thirty-two million people on the farms of the United States, the greatest number ever recorded in our history. Some of those who have returned to farming will find their place there, but most of them, I fear, will not. I look to a day when men and women will be able to do in the country the work that they have been accustomed to doing in the city; a day when we shall have more industrial workers out in the open where there is room to live. I look to a decentralization of industry; but in this respect we shall have to make haste slowly. We do not need any more farmers out in the country now. We do need there more people with some other means of livelihood, buying, close at hand, farm products; enriching and making more various the life of our open-country and village communities.

The Act authorizes the Secretary of Agriculture to apply excise taxes on the processing of these products, and to pay the money thus derived to farmers who agree to enter upon programs of planned production, and who abide by that agreement. These processing taxes will be put on gradually. Few, if any, will be levied before fall; and then we shall make them as light as we can and yet bring about the required reduction in acreage. In no case will taxes be levied on products purchased for the unemployed.

What it amounts to is an advance toward higher prices all along the line. Current proposals for government cooperation with industry are really at one with this Farm Act. Unless we can get re-employment going, lengthen pay rolls, and shorten breadlines, no effort to lift prices can last very long. Our first effort as to agriculture will be to adjust production downward, with safe margins to provide enough food for all. This effort we shall continue until such time as diminishing stocks raise prices to a point where the farmer's buying power will be as high as it was in the pre-war years, 1909 to 1914.

The reason that we chose that period is because the prices farmers got for their crops, in those years, and the prices they paid for manufactured goods and urban services most nearly approached an equitable relationship. There was thus a balance between our major producing groups. At

that time there was not the terrific disparity between rural and urban purchasing power which now exists and which is choking the life out of all forms of American business.

We do not propose to reduce agricultural production schedules to a strictly domestic basis. Our foreign trade has dwindled to a mere trickle; but we still have some foreign customers for cotton, tobacco, and certain foodstuffs; we want to keep that trade and to get more foreign trade, if we can. The immediate job is to organize American agriculture to reduce its output to domestic need plus that amount which we can export at a profit. If the world tide turns and world trade revives, we still can utilize to excellent advantage our crop adjustment and controlled distribution setup. We can find out how much they really want over there, and at what price; and then we can take off the brakes and step on the gas.

The first sharp downward adjustment is necessary because during the past years we have defiantly refused to face an overwhelming reality. In consequence, changed world conditions bear down on us so heavily as to threaten our national life.

Ever since 1920, hundreds of thousands of farm families have had to do without civilized goods and services which in normal times they were glad and eager to buy. Since 1929, millions of farm people have had to patch their garments, store their cars and tractors, deprive their children of educational opportunities, and cease, as farmers, to improve their practices and their property. They have been forced to let their homes and other buildings stand bare and unpainted, eaten by time and the weather. They have been driven toward peasant, or less than peasant, standards; they have been forced to adopt frontier methods of bare sustenance at a time when, in the old surging, unlimited sense of the word, we have no longer a frontier.

When the farmer gets higher prices, he will start spending. He will have to. He needs things. He needs new shoes and clothing for all the family, so that his children can go to school in any weather with dry feet, protected bodies, and a decent American feeling of equality and pride. He needs paint and roofing, fencing, machinery and so on, endlessly.

To reorganize agriculture, co-operatively, democratically, so that the surplus lands on which men and women now are toiling, wasting their time, wearing out their lives to no good end, shall be taken out of production—that is a tremendous task. The adjustment we seek calls first of all for a mental adjustment, a willing reversal, of driving, pioneer opportunism and ungoverned *laissez-faire*. The ungoverned push of rugged individualism perhaps had an economic justification in the days when we had all the West to surge upon and conquer; but this country has filled up

now, and grown up. There are no more Indians to fight. No more land worth taking may be had for the grabbing. We must experience a change of mind and heart.

The frontiers that challenge us now are of the mind and spirit. We must blaze new trails in scientific accomplishment, in the peaceful arts and industries. Above all, we must blaze new trails in the direction of a controlled economy, common sense, and social decency.

There have been delays in the passage of this Act. Meanwhile the planting season has advanced, and our assigned task of adjusting production to effective demand has become infinitely more difficult. We cannot proceed as if this were the middle of winter. Perhaps our wisest course will be to concentrate on those commodities most in need of adjustment, and on which the adjustment decided upon, this late in the season, can be practical and effective.

To help us in these determinations, we shall have here in Washington within a few days representatives of agriculture and representatives of the processing and distributing trades. Bearing their recommendations in mind, we shall decide just what action to take, and when to take it. As each decision is made we shall get it out directly and publicly to the farmers affected, and launch organization efforts throughout the Nation.

Unless as we lift farm prices we also unite to control production, this plan will not work for long. The only way we can effectively control production for the long pull is for you farmers to organize, and stick, and do it yourselves. This Act offers you promise of a balanced abundance, a shared prosperity, and a richer life. It will work, if you will make it yours, and make it work. I hope that you will come to see in this Act, as I do now, a Declaration of Interdependence, a recognition of our essential unity and of our absolute reliance one upon another.

Observe from the foregoing that Wallace, recoiling from the brutal need of reducing agriculture's physical output in time of dire physical need, already contemplated using the discretionary powers to be vested in him to adjust the contemplated A.A.A. to larger and more soundly defensible purposes in the end. His phrase "sound land use" plainly foretells the soil-conservation principles to which A.A.A. administrators were forced to repair (less willingly, on the whole, than Wallace) after the Supreme Court decision of 1936. His remarks on the open country as a doubtful refuge for the indigent and dispossessed foretell, in some measure, the establishment of the Farm Security Administration. Particularly, his insistence that Agricultural Adjustment is a piece of social machinery that may spur as well as retard farm output suggests, years ahead of the event, the incalculable aid that Triple-A has rendered in provisioning the present World War.

The following address, delivered in Philadelphia on May 9, three days before the Farm Act became a law, was written a week or so before he prepared his Farm Act broadcast:

A CHALLENGE TO SCIENCE

Whether, in inviting me to address the Franklin Institute, you distinguish between my activities as Secretary of Agriculture and my activities as a scientist, I have no means of knowing; but I hope I have thus far escaped the sort of fame enjoyed by a certain gentleman who is known both as an economist and a journalist, and who is referred to by economists as a highly successful journalist, and by journalists as a highly successful economist. I would not have you carry the parallel too far, however. Some such dual role may be forced upon scientists, before we are out of our present economic disorder.

I doubt if scientists have considered, as much as they should, the impact of the present economic situation upon science. Our present impasse seems to me to shed new light on past contributions of science, and to impose new burdens on the science of the present and the future. Or, to put it another way, our present economic difficulty specifically challenges science to defend itself against alleged excesses of the past, and asks for a pledge to contribute with more certainty to human welfare in the future.

Mind you, I am quite ready to agree that when the income of citizens and of the government is as drastically reduced as it is at present, we have no choice but to reduce all expenditures of government, and scientific work must shoulder its share of the reduction. Conceivably, a searching examination may reveal dead wood here and there; some of our less obviously important scientific activities can be slowed down in deference to the emergency; but that is very different from a heedless elimination of governmental activity because it is scientific, or of scientific activity because it is governmental.

Suppose we consider our agricultural research much as a businessman would. The total value of the corn, wheat, and cotton crops of the United States is normally about four billion dollars. Around these three basic crops the entire agriculture of the United States revolves. If a private corporation had an annual output this valuable, how much would it be spending for scientific research to reduce production costs, discover new uses, and the like? Probably anywhere from forty million to four hundred million dollars.

Does that seem fantastic to you? An officer of the National Research Council, in a letter to Dr. A. F. Woods of our Department of Agriculture last summer, reported the results of a query set to several hundred industrial corporations. In 309 replies representing nineteen classes of industries, it was revealed that most of the corporations spent from one to ten percent of their total sales on scientific research. About one in every six corporations, of those reporting, spent more than five percent of their sales on research, and one in every fourteen spent more than ten percent of their sales. Thus the range—forty million to four hundred million dollars—when computed on the basis of a total output of four billion dollars.

You may ask how government's expenditures for research compare with industry's. The Federal government, for this four-billion-dollar crop of corn, wheat, and cotton, has been in the habit of spending around three million dollars annually for scientific research. That is a very small fraction of one percent. Even on the tragically reduced values of these crops in 1932 Federal expenditures for research amounted to less than two-tenths of one percent. And yet through a relatively small investment, the expenditures for research by the Federal and State governments have undoubtedly made it possible for the farmers of the United States to produce the present volume of corn, wheat, and cotton with a billion hours less man-labor annually. This is a tremendous increase in efficiency.

The attacks upon science stem from many sources. It is necessary for science to defend itself, first, against such attacks, and second, against the consequences of its own successes. What I mean is this: That science has magnificently enabled mankind to conquer its first great problem—that of producing enough to go around; but that science, having created abundance, has now to help men learn to live with abundance. Having conquered seemingly unconquerable physical obstacles, science has now to help mankind conquer social and economic obstacles. Unless mankind can conquer these new obstacles, the former successes of science will seem worse than futile. The future of civilization, as well as of science, is involved.

I do not see how any intelligent person can hear some of the complaints registered against research without desiring to jump at once to the defense. A few business groups, highly articulate, have done a great injustice to the scientific work of the government by inferring that considerable sums of money have been spent to investigate how far a flea could jump, and to look into the love-life of the frog. I am unable to find any account of a government project dealing with the love-life of a frog. It is true that someone wrote into the Department of Agriculture to inquire how far a flea could jump, and that one of our entomologists, after a brief search

through the scientific literature on fleas, was able to make a suitable reply. The publicist who ridiculed the Department for this jumped to a variety of inaccurate conclusions, one of them being that special and expensive research was involved, and another being that fleas, from whatever aspect, are screamingly funny. They seem to be in the same category with spinach.

As many of you know, research on fleas—including a knowledge of how far they can jump—has been fairly important for the human race. For through research it was learned, back in 1906, that the bubonic plague was carried from rats to man by fleas. The knowledge of how far a flea could actually jump was of considerable importance in fighting outbreaks of the plague shortly thereafter.

In any event, I am not disposed to apologize for a certain amount of government money spent in pure research. On the whole, I am inclined to think that more rather than less money should be spent in this way. Let me give an illustration coming out of my own experience. It happens that twenty years ago this summer, I did my first experimenting with the inbreeding of corn and was led to do so by the work in pure science done along this line by Dr. G. H. Shull of the Carnegie Institution, and Dr. E. M. East of the Connecticut experiment station. Dr. Shull especially had no thought whatever of bringing his inbreeding work in corn to a practical conclusion. More than twenty years ago he dropped his corn breeding experiments and turned to the breeding of evening primroses and the weed known as shepherd's-purse. Yet I may say that the purely scientific work started by Dr. G. H. Shull twenty-eight years ago can easily make it possible for us within the next ten years to produce our present supply of corn on eighty million acres instead of 100 million. [This prophecy came true and in coming true released more hours of man labor than were lost in all the strikes. Ed. Note.]

I say this advisedly and with full knowledge, because last year in Iowa more than a thousand farmers grew corn produced by this method which originated in the pure science of Shull and East. As an average of a thousand weighed-up comparisons it was found that the corn produced by crossing inbred strains outyielded the farmers' own corn by ten bushels an acre.

The Federal and State scientists engaged in this particular branch of research know from a practical point of view that their discoveries have just begun. They also know that from the point of view of pure science, there are strange vistas opening up in many directions. The corn geneticists of the United States Department of Agriculture and the State experiment stations have developed several thousand inbred strains of corn which, when properly combined, have in them the ultimate potentiality of

saving the corn farmers of the United States a billion hours of man labor annually. A saving of this magnitude properly distributed through the right kind of economic machinery can be of enormous help to all the people of the United States.

I have no patience with those who claim that the present surplus of farm products means that we should stop our efforts at improved agricultural efficiency. What we need is not less science in farming, but more science in economics. We need economic machinery corresponding in its precision, its power and its delicacy of adjustment to our scientific machinery. Science has no doubt made the surplus possible, but science is not responsible for our failure to distribute the fruits of labor equitably. We must charge that failure squarely to organized society and to government.

Relatively few scientists, I fear, have a well-developed social point of view. It may be that specialization has forced them into the cloister, out of touch with the surge of economic and social problems. It may be that the Darwinian theory of the survival of the fittest has so impressed them that they have permitted it to color their views on economics as well as on biology. For there is a very direct relationship between the survival of the fittest theory and the theory of *laissez-faire* which has so long dominated our economic thinking. Or again it may be that scientists have had to applaud any consequence of profit motive, if they were to pursue their research. Generally removed from any desire for great wealth, scientists may not always have realized the problems daily arising from an inequitable distribution of wealth.

Whatever the basis, I believe the time has come for men of science to consider both the effect of current economic problems on science and the contributions that science may be able to make to the solution of those problems.

Perhaps the star of the social scientist—who seems to specialize, so to speak, in a social point of view—is rising. I have often wondered what the character of modern science would be if the early scientists had been biologists, for instance, like Pasteur, rather than mathematicians and physicists, like Newton and Galileo. At any rate, it is true that the social and biological sciences have lagged far behind the physical sciences.

I want to pay a tribute to those scientists who deal with life. While I have the greatest respect for the physicists, the astronomers and the engineers, I have an even greater respect for the scientists dealing with living organisms. I have the feeling that it is time for the human race to devote its attention more definitely toward the life side rather than the mechanical side of things. As more and more scientists work with the problem of bringing together the superior germ plasm of the different plant and

animal organisms, a social consciousness will be built up which will find an eventual expression in the search for superior human germ plasm. These things, of course, will develop slowly, but to my mind in this direction we shall find some of the most hopeful activities of the human race. We may become eventually disillusioned by our efforts at mechanical progress, but if we look deeply into the life side of things, we will find endless vistas unfolding which, as they express themselves in the social world, are not so likely to be disillusioning as the activities which are built on the inorganic sciences.

I am speaking to you about these things because I want the standard of living, in city and country alike, constantly improved. But we shall never achieve that desideratum unless we learn how to distribute what we have produced as well as we have learned to produce it. Science has done the first job, and done it magnificently; now let it turn to the second and infinitely more difficult one. I feel assured that the challenge appeals to your imagination, and to your craving for social justice, as much as it does to mine.

The first year of Agricultural adjustment was a driving catch-as-catch-can affair. As critics of the Act had prophesied, planners who go beyond blueprints and step afield to alter the acreage of any major crop take the bear by the tail and travel fast and far, with the need of making farther-reaching plans as they travel. "One move compels another, as in a game of chess," Rex Tugwell, then Assistant Secretary of Agriculture, said. This aroused derision. It would have sounded homelier, more country-like, if he had said "checkers." What had not been as clearly foreseen in the first dash of collective democratic crop planning was the remarkable behavior of the bear.

Starved and bewildered at the outset, the rampageously individualistic American farmer, having tasted now the bread and honey of adjustment payments and a mild inflation, with a resulting marked rise in braced prices, sent delegation upon delegation to Washington demanding that the Department of Agriculture have done with mild tail-twitchings and other gentle gestures of guidance and assume absolute control. Cotton spokesmen wanted a compulsory sign-up, so that mavericks could not step from under the price-umbrella and make money by overplanting, to the general ill. A delegation of Five Northwestern Governors came in to demand of Wallace "cost of production" guarantees, backed by absolutely arbitrary mandates from Washington. "Think fast, Captain; think fast!"—the tag-line of the play *What Price Glory?*—was a common jibe among those in the Secretary's office during the spring and summer of 1933.

M. L. Wilson, chief of the originators of the "voluntary" domestic allotment plan, was running a wheat sign-up which reached more than a million farms and obtained from growers representing seventy-seven percent of the nation's

wheat acreage agreement to reduce their fall sowing fifteen percent. Wilson put all possible emphasis on local committees, local responsibility; and in this Wallace backed him to the limit. They sought also to ingratiate into the beginning drives of agricultural adjustment wider concepts of soil and water conservation, the conveyance of commercially "surplus" products to the relief of the needy, and the rude beginnings of an "ever-normal granary." Wallace traveled far and made many speeches. Speaking impromptu in Philadelphia before his Franklin Institute address there in May, "If we permit it, nature will take its course," he said. "A crisis like the present can be worked out ultimately, to be sure, by continued deflation, by continued bankruptcy, by force and competition and misery. That is the way of nature, unmodified and undirected by the intelligence of man. It is a long way, a cruel way and a very costly way."

At Syracuse, New York, on September 5: "You had a milk war here this summer. I have seen pictures of it. Not far from where I stand milk was spilled on the roads. Heads were broken by guards and troopers wearing gas-masks, armed with clubs and guns, and by strikers with stones in their hands. In the cities, children went hungry. The spectacle did us no credit as a civilized people. I feel that all of us should earnestly examine our own minds and hearts, get at the fundamentals and try to cure the conditions that lead to such bewildered hatred and waste."

In the month prior he had gone South and had been flown over the Mississippi Delta to observe the extent of the cotton plow-up. Those in his party say that his gaze was mournful and his eyes were moist when the plane brought him back to the ground. Still earlier that year, Helen Hill Miller relates in her recent book, *Yours for Tomorrow* (Farrar & Rinehart, 1943), "a group of New York intelligentsia, planners, technicians, writers for medical journals, [had] asked Henry Wallace to spend an evening with them. They had a lot of technical questions they wanted to ask him. Finally one of them said, 'Mr. Wallace, if you had to pick the quality which you thought most important for a man to have in plant-breeding work, what would it be?' The answer startled them: 'Sympathy for the plant.'"

Returning from the scene of the plow-up to Washington, Wallace went on the air on the evening of August 21, to report:

THE COTTON PLOW-UP

On one of the largest cotton plantations in Mississippi I saw a dramatic instance of America's present effort to catch its balance in a changed world.

There were two immense fields of cotton with a road between them. On one side of the road men with mules and tractors were turning back

into the earth hundreds of acres of thrifty cotton plants nearly three feet high. On the other side of the road an airplane was whipping back and forth at ninety miles an hour over the same kind of cotton and spreading a poison dust to preserve it from destruction by the boll weevil.

Both of these operations were proceeding side by side on the same farm, and both in our present critical state of economic unbalance were justifiable and necessary. There are those, of course, who would say that with too much cotton the right thing to do would be simply to let the weevil at it and trust to luck. We have been trusting to luck too long. Insects have very small brains. They cannot be counted upon to get us out of troubles of our own making. Clumsily, to be sure, but with a new vigor and an eye to realities, we have started to take hold of this strange situation at both ends in an effort to bring sense and order into our use of land.

Thus far we have been ruled by events quite as much as we have ruled events, but considering the shortness of time and the pressure upon us I think that we have done a fairly good job. What we have done is only the barest beginning of all we shall have to do. The new social and economic machinery that we have set going in this country since March 4 is as crude and as promising as Robert Fulton's first steamboat.

Our present efforts are only hasty patchwork when compared with the intricate thinking and social planning that will be required. All of us working together will learn how to do these things better as we go along.

Nearly nine-tenths of the nation's two million cotton farmers agreed to co-operate in the emergency adjustment drive. They are taking ten and a half million acres out of cotton and reducing the national cotton acreage more than one-fourth. Is this a good thing to do? In view of the circumstances, yes. It was too bad to have to turn all that product of wasted effort back into the ground. But it would have been a great deal more destructive and wasteful to have kept on going blindly, driven before the forces of a rampant, competitive individualism to a general smash.

Leaders of the Cotton South assure me that they will soon have a plan ready so that next year they will not plant cotton in the unlimited, planless way they have in the past. Instead of planting around forty million acres of the United States to cotton, it seems likely that we shall put in only about twenty-five million acres next spring.

This month, with the aid of 30,000 field workers, most of them volunteers, we are putting before the 1,200,000 American farm families that grow wheat a proposal to reduce, perhaps as much as one-fifth, their sowings of wheat for the next two years. The exact degree of reduction depends on whether other nations decide to come along with us in this effort to adjust wheat harvests to prevailing demand. They have promised to

let us know by next Thursday. I will make an announcement then. If these other countries will not co-operate the United States will go ahead alone.

We have had more time to plan and organize for a balanced wheat crop than we had in the case of cotton; but the three-year plan we are now putting into operation is an emergency measure only; it will not take care of the long-time situation. Again, like the cotton plan, it is only a start. The cotton plan, the corn and hog plan, the dairy, tobacco, fruit, and wheat programs that we are now launching—all these are experimental first steps in a new direction. Once you take the first step in that direction, you are forced to other steps and a wider outlook.

From that outlook, we begin to see that American progress thus far has been very largely a matter of beginner's luck. What we have called business sagacity in the past often turns out, when candidly examined, to be no more than a bet on the future of a continent which, at the time the bet was made, was incompletely exploited.

"Don't sell America short," was our motto; and for three hundred years or so our pioneers, our businessmen and all of us scrambled without limit to put our stakes on a sure thing. If you couldn't make money farming, you could probably make it speculating in land. If you couldn't make it by building a better mouse trap than your neighbor, you could probably get along by selling gilt-edged shares in Mouse Trap, Preferred. No wonder, as a nation, we came to believe that some sort of economic magic took care of us, and got us out of all the troubles that our greed and thoughtlessness brought down upon our heads from time to time.

We are not at the end of our progress as a civilized people. When we lose faith in gambling and turn toward fundamental values, we shall make this country a better place in which to live. As a start, we have undertaken to put our farmland, the basis of our entire national structure, into better order. In consequence, we are forced to think of what we ought to do with the forty million marginal acres of plowland we are going to take out of cultivation, because the world no longer will pay us for the extra wheat, cotton, and corn we have been growing there. It looks as if we were being forced for the time being toward a self-contained national economy, whether we like it or not. It is certain that we are farming a good deal of land that ought not to be farmed. Much better land, on which a family would have a chance to make a decent living, could be drained, irrigated, rescued from washing away, or otherwise reclaimed. In view of this, President Roosevelt has announced that as fast as good new land is brought into production, a corresponding amount of inferior

land will be taken out. This may mean bringing in one acre and taking out ten. It may mean planned migrations from one region to another.

But we are not going to have a random expansion of farm production, conducted without regard to human values, as we have had in the past. One of the great tragedies that has come out of the haphazard settlement of this country is to be found where families of the best blood and training, folks with a fine point of view and a fundamental philosophy, are slaving their lives away on farms that are not fit to work or live on. We want to fix things so that people are working where their labor will readily do some good, where they will have a real opportunity and the joy of working and creating without being penalized for it. The thing to do now is to farm only land that is worth farming and farm it better than ever. We need clearer thinking and the kind of efficiency that strikes down to fundamentals and builds from there.

When a country fills up and all the land and easy money are taken, the people of that country face problems that they have never met before. In attacking these problems Americans will shift in some measure from their ancient competitive, individualistic standards. Sooner or later, the question, "What is there in it for me?" will have to be translated into, "What is there in it for all of us?" I know how hard it is to change human nature, but human nature does respond to changed conditions; and it becomes plainer all the time that modern capitalistic society faces the choice between a widely, generously shared prosperity or none at all.

The millennium is not yet here, although the makings of it are clearly in our hands.

In November, with demands for compulsory control still running high, Wallace went to the Corn Belt and made three successive talks at Des Moines, Chicago and Muncie, Indiana, on the 11th, 13th and 14th. The five Northwestern Governors, he said at Des Moines, had demanded price-fixing; and he had replied that this would require ironclad production control. The Governors said that they would be willing to stand for that, and proceeded to propose "a system of compulsory marketing control, giving monthly marketing quotas to every farmer in the United States," together with "a system of licensing every plowed field in the country."

"One reason I have come out to Iowa at this time," Wallace proceeded, "is to discover whether or not the farmers of the Corn Belt are ready for the imposition of compulsory control both of production and marketing." If so, new legislation would have to be drawn: "It would be necessary, apparently, to declare agriculture a public utility, and then to begin the truly staggering task of deciding which farmers should have certificates of public convenience and necessity, of telling American farmers whether or not they would be permitted

to farm at all, what crops they might grow, how much they might plant; and how, when or where they might market them."

At Chicago, before the Land Grant College Association, he made fun, a little, of academic love of precedent: "Some of our forefathers may have kicked about it, but they didn't refuse to make the change from oxsled to buggy-riding, a change involving some new problems, involving wheels and harness and spirited horses. In our generation we have very little hesitation in diving headlong into the immensely complex problems of automechanics and aerodynamics. . . . The solution to our land problems is not to be found 'in the back of the book.' There is no book to go by; we'll have to write our own, chapter by chapter, from the fullness of our experience."

At Muncie he commenced a comparative examination of the "pain of nationalism" and the "pain of internationalism," which led, the year following, to publication by the Foreign Policy Association of the pamphlet, *America Must Choose*. Many passages from his speeches in 1933 were incorporated into this pamphlet later. These, for instance, from an address before the Civic Forum of the Town Hall Club in New York City on November 24:

"In an age when an advanced technology pours forth goods in a smothering abundance, fear of freezing to death and starving to death should be removed, as a matter of common decency, from the lives of our people as a whole. This is not a cloudy idealism which has no basis in facts. Only those really close to science can know the abundance that could be ours with even-handed justice and a generous distribution among groups. Our grinding efforts to subsist, in the mass, on the farm and in great cities alike, would drop into the far background in the light of the attainments we could command.

"Oh! how we have been under the weight of that need to subsist, to keep body and soul together, in the past few years. We can throw off that miserable burden. We can stand as free men in the sun. But we cannot dream our way into that future. We must be ready to make sacrifices to a known end. As we wrestle with all the infinite complexities which now beset us, the temptation is to give way to false and easy hopes and to easy ways of thinking. We cannot afford to dream again until we have taken hold of things as they are."

The Wallace paper of 1933 which is still most demanded from the document files in the Department of Agriculture is one of his last addresses of the year. He gave it a long title, *The Social Advantages and Disadvantages of the Engineering-Scientific Approach to Civilization*, and read it at a meeting of the American Association for the Advancement of Science in Boston on December 29. The great brain surgeon, Dr. Harvey Cushing of Boston, who heard this paper, had many copies made of it, and presented them to his students and colleagues as long as he lived.

THE ENGINEERING-SCIENTIFIC APPROACH

I suppose you are all more or less familiar with that concept of the cyclical rhythm of civilization which has been popularized in recent years by Petrie, the egyptologist, and Spengler, the German philosopher. According to this analysis, a civilization takes its origin in a profound, but as yet unexpressed new attitude on the part of a virile, agricultural people toward the universe. This profound, original feeling gives the bias to subsequent events throughout the life of the civilization. First, it manifests itself in great cathedrals and sculpture, next in painting, literature, and music, followed by science, mechanics, and wealth, and finally it manifests itself in dissolution which comes because of a lack of faith in the worthwhileness of the original attitude toward the universe and because of disgust with the material results which have finally been inspired by that attitude. According to this analysis we have now come to the late fall, the eventide of this civilization, and the coming of the engineer is like the coming of Indian summer in late October just before the cold and dreary days of winter.

Philosophical analysis of this sort, even when backed up by archeological research, can of course be merely suggestive. But after our experience with the World War and the depression of the past four years, we are led to question the American credo, based as it has been on faith in Progress Unlimited, derived from endless mechanical invention, improved methods of mass production, and ever-increasing profits. Without accepting either the implicit pessimism of the Spenglerian Twilight philosophy or the Pollyanna optimism of the old-fashioned American go-getter, I would ask you to examine superficially with me the contributions of science and engineering, the dilemma thereby created, and a possible way out.

For a hundred years the productivity of the so-called civilized world has increased at the rate of about three percent annually. Corrected for increase in population, the output per capita has increased at the rate of about one percent annually. In the United States the rate of increase of material wealth has perhaps been a little faster than this. But everywhere there has been apparent a little slowing down during the World War and especially since 1930. And so we have, on the one hand, those people who proclaim that inevitably the pre-depression trend will be resumed, and those who, on the other hand, say that the time of the quantitative ex-

pansion of man's control over nature is now rapidly coming to a close.

Engineering and science, combined with the division of labor, have made it possible for an hour of man-labor on the farm to produce several times as much as it did a hundred years ago. In company with the rest of you I have from time to time marveled over the tremendous contribution of the reaper, the binder, the combine, the truck, the tractor and the gang-plow, but inasmuch as we have now come to days of real soul-searching about all the things which we have hitherto called Progress, I think it is high time for all of us to analyze these various labor-saving devices a little more critically. Do they really save as much as appears on first glance?

True it is that the farmer puts in only a mere fraction of his own labor in producing wheat, as compared with a century ago, but what about the labor of the men who made the combines and the plows and the tractors? What of the labor of the men who transport the wheat the thousand miles to market, of the vast distributing and advertising machinery which seems to be necessary if we are to operate on the broad scale apparently required by the modern adaptations of engineering and scientific discoveries? Personally, I am inclined to think there is a real net gain, but it is a gain of the sort which can easily be lost altogether unless certain social adaptations are very rapidly perfected.

The change from the back-breaking cradle of our forefathers to the modern combine ought to mean a tremendous release of human energy on the farm for something besides growing and harvesting a crop. The days when wheat was broadcast by hand, perhaps from a saddle horse, in retrospect seem quite romantic, but to the farmer who had to spend days at seeding-time where he now spends hours, the romance probably wore pretty thin. The grind of the harvest of years ago, the sweat of men in the field and women in the kitchen, was an honorable thing, and even celebrated in song and story; but it didn't leave much time for living. The engineers and the scientists have given us the instruments and the methods whereby we can escape much of the grind; theoretically, there ought to be far more time for living and far more with which to enjoy life. Yet the reverse seems to be poignantly true.

The men who invented our labor-saving machinery, the scientists who developed improved varieties and cultural methods, would have been bitterly disappointed had they seen how our social order was to make a mockery of their handiwork. I have no doubt they felt they were directing their talents to free mankind from the fear of scarcity, from the grind of monotonous, all-absorbing toil, and from the terrors of economic insecurity. Things have not worked out that way.

I do not mean to imply that there have been no gains. Of course there

have been net gains, even if incommensurate with the hopes and promise of science. Plainly we must hold those gains, and add to them rapidly and extensively; but I think we can do this only if the planning of the engineer and the scientist in their own fields gives rise to comparable planning in our social world.

So far as science and engineering are concerned, I see no reason why the rate of expansion which characterized the "Century of Progress" should not be increased, at least for a time. While there are certain ultimate limitations in our supplies of coal, iron, petroleum, and in soil fertility, it is obvious to most of us who are close to any particular phase of scientific research or technical organization that there are imminent discoveries which, when applied, will increase per capita output enormously. Nearly every technical man knows in his heart that from a purely scientific, engineering point of view the most amazing things could be done within a relatively short period. Of course, in the world of hard fact the full effect of any revolutionary invention is not felt typically for fifteen or twenty years. But I feel safe in saying that our scientists and inventors today have enough new stuff within their grasp or just around the corner so that the world thirty years hence could easily have a total productive power twice that of today.

It is almost equally possible that the total wealth-producing power of the world a generation hence will be less than it is today. The trouble, if it comes, will not be in the inability of scientists and technologists to understand and to exploit nature, but in the ability of man to understand man and to call out the best that is in him. In solving this limitation the scientists and engineers have all too often been a handicap rather than a help. They have turned loose upon the world new productive power without regard to the social implications. One hundred years ago the power looms of England destroyed the cottage weaving industry, and during the early years of that impact misery strode over the countryside of England in proportion as the *nouveaux riches* gained capital to exploit their gains over the entire world. That kind of thing has been done again and again, and we have called it progress because the power of man over nature was increasing and because in the long run the common man shared in this increase. What happened to the common man in the short run, of course, could be of no concern to a *laissez-faire* society.

Most of us, whether scientists, businessmen, or laborers, have until recently looked back on the Century of Progress and called it good, but today the afflictions of Job have descended upon us and we must of necessity argue with Bildad, the Shuhite, and set ourselves right with our God

before we go forward into a prosperity twice that which we enjoyed before.

Acting perhaps in the capacity of Bildad, I would like to suggest that the very training which made possible the enormous material expansion of the past century may to some extent have made impossible the building of a just social system for the prompter and more uniform distribution of the wealth produced by the system. Most of the scientists and engineers were trained in *laissez-faire*, classical economics, and in natural science based on the doctrine of the struggle for existence. They felt that competition was inherent in the very order of things, that "dog eat dog" was almost a divine command.

The power discovered by the scientists and inventors was applied in the United States by a race of men who had developed a concentrated individual willpower and an extraordinary thriftiness as a result of several generations of pioneer agricultural training and Protestant church-going. As a result, human power of high spiritual origin, but debased by the sophistication of the "devil take the hindmost" economics of the colleges, took command of the exploitation of the discoveries made by the scientists and inventors. The scientists and inventors have an intense kind of religion of their own—certain standards to which they like to be true—and as long as they could get enough money to pursue their researches, why should they care how someone else handled the social and economic power derived from these researches? Perhaps that is putting the matter unkindly, but other explanations that might be advanced are not much more flattering. Those who delved too deeply into social and economic problems got into trouble, and so many of the best scientists felt it was not good form to do things which to certain types of mentality seemed impractical and which might endanger science's financial support.

It is my observation that previous to 1933 more than three-fourths of the engineers and scientists believed implicitly in the orthodox economic and social point of view. Even today I suspect that more than half of the engineers and scientists feel that the good old days will soon be back when a respectable engineer or scientist can be an orthodox stand-patter without having the slightest qualm of conscience. It is so nice to feel that there are great supermen from whom, directly and indirectly, you draw your own sustenance, who, sitting Jove-like above us lesser mortals, make possible the free functioning of the law of supply and demand in such a way that their profits enlarge at the same rate that our research expands. Like most of you in this audience, I rather like that kind of world, because I grew up in it; in some ways, I wish we could get back to it. But both my mind and my instinct tell me that it is impossible for any length of time. Of

course if prosperity returns within the next year or two, it is possible for us to think that we are back in that old world again. But unless the people who make profits and direct capital allocation to different productive enterprises have seen a great light, or unless we move forward into certain highly centralized forms of industrial and governmental control, we shall sink back into our former trouble.

There ought to be more than a little hope, it seems to me, in the fact that our engineers have demonstrated so successfully their skill in planning. In many great industries, the engineers have been able to mark out the contours of expansion and development ten to fifteen years ahead. If in the past they seemed to be guided by purely material and mechanical considerations, that has doubtless been because such considerations were necessarily the chief ones so long as we were conquering a continent. Today it is becoming increasingly evident that we must take into account the qualitative as well as the quantitative expansive aspects. This would suggest that in the engineering courses of the future the engineers should be given an opportunity really to enrich their minds with imaginative, non-mathematical studies such as philosophy, literature, metaphysics, drama, and poetry. Of course so long as an engineer is burdened with the necessity of putting in eighteen hours a day mastering calculus, mechanics, and the complex theories of electricity, he simply cannot give any effective attention to the cultural aspects of life. And if by accident an engineer, exposed to studies of this sort, should be enthused by them, he might for the time being become somewhat less effective as an engineer. We are thus exposed to a dilemma, which I would be tempted to solve by saying that probably no great harm would be done if a certain amount of technical efficiency in engineering were traded for a somewhat broader base in general culture.

It is difficult to see how the engineer and the scientist can much longer preserve a complete isolation from the economic and social world about them. A world motivated by economic individualism has repeatedly come to the edge of the abyss, and this last time possibly came within a hair's breadth of plunging over. Yet science, all this time, has been creating another world and another civilization that simply must be motivated by some conscious social purpose, if civilization is to endure. Science and engineering will destroy themselves and the civilization of which they are a part unless there is built up a consciousness which is as real and definite in meeting social problems as the engineer displays when he builds his bridge. The economist and the sociologist have not yet created this definite reality in their approach; can you, trained in engineering and science, help in giving this thought a definite body?

Today when the industrial nations of the world have skimmed most of the cream off the backward nations and the backward classes, and when there are no longer any challenging geographical frontiers to be conquered, it becomes apparent that we must learn to co-operate with each other instead of joining together in the exploitation of someone else. This means building a social machinery as precise and powerful as an automobile engine. How extraordinary is the patient vigor of thought which enables a group of engineers to blueprint and execute a new design! And how sloppy by comparison is our economic blueprinting and execution!

But it must be said in defense of the economists that their problem is infinitely more difficult than that of the engineer. The economic engineer has had no excuse for existence until recently, because no one gave him any orders for blueprints. Even yet the objectives are so loosely defined, the popular will is in such a state of flux, that the designing of the economic engineer is about like that of an automotive engineer who discovers after he has completed his engine that it was to go into a tractor instead of an automobile.

As I have said to many farm audiences, we are children of the transition—we have left Egypt but we have not yet arrived at the Promised Land. We are learning to put off the hard-boiled language of the past, but we have not yet learned to speak the co-operative language of the future. One is as different from the other as a human being is different from an animal. There need be nothing impractical, there need be nothing foolishly idealistic about a Christian, co-operative, democratic State.

We know that there must be a balance between productive power and consumptive power, and that excessive profits used to expand productive power beyond consumptive power are sure to lead to a breakdown. We know that the continued insistence on heavy exports in excess of imports by a creditor nation is bound to lead to disaster. We know today that the great unemployment is in the so-called heavy industries, and that this could be remedied if faith in a profound new excitement swept the country like the railroad-building boom of the early eighties or the automobile boom of the twenties. This boom might take the form of totally new railroad equipment, or the popularization of new and better airplanes, or the making fashionable of winter homes and winter industries for everyone in the South and a duplicate summer set in the North. In any event, whatever is done to stimulate the heavy industries it is to be hoped that the bonds issued to pay for the stimulation will be on a long-term, amortized, low-interest basis.

We know that we must have a monetary system which will bring about a better balance between debtor and creditor and between productive

power and consumptive power. These things can be measured and social machines can be built to deal with them, but before success can be expected, there must run through the rank and file of the people a feeling that amounts to a profound determination to deal with social problems.

There is something about engineering which tends to lay emphasis on logical, cold, hard, lifeless facts. Nearly all engineers have suffered the common punishment resulting from the remorseless discipline of higher mathematics, physics, and mechanics. No man has to work in college as the engineer. As a result, the engineer sometimes imputes a value to precise mathematical reasoning which it does not always have. There is such a thing as life, and the mathematics of life is as far beyond the calculus as the calculus is beyond arithmetic.

We can see in Mendelian genetics a complex algebra which has proved to be of some analytical use in determining the mechanism of heredity. Nevertheless, from the standpoint of producing superior plant and animal organisms, the engineering mathematical approach to life has not yet been especially successful. It seems to me that the emphasis of both engineering and science in the future must be shifted more and more toward the sympathetic understanding of the complexities of life, as contrasted with the simple, mathematical, mechanical understanding of material production.

The quantitative answers produced by the science of the past hundred years are not enough. They merely increase the speed of life without increasing the quality. Would that we had someone with the imagination of Sir Isaac Newton to develop the higher calculus of the engineering of life which is so necessary if our increased productive power is to increase total human happiness!

Haven't you sometimes wondered whether this whole Century of Progress might not be just a superficial and temporary phenomenon after all? The increase of physical output in three generations is so extraordinary that we have tended to think that this is what man is meant for. It seems to me a terribly inadequate yardstick of civilization. A man has food, clothing, and shelter; wherein does he differ from the beasts of the field? Surely these are not the things which distinguish the civilized from the uncivilized. Food and shelter and the other necessities in any rational order ought to go without saying. They ought to be as automatic and as universal, in this day of technological achievement, as the air we breathe. It is from this point on that life begins.

A characteristic of the engineer is his willingness to face the cold truth about the task to which he addresses himself. Engineers have brought to their jobs a more fully developed intellect than any other class of our citi-

zenry. Sloppy, opportunistic thinking is simply inexcusable in the engineering world. I would be the last to suggest that the engineer abandon the precision of his thinking and his honesty in facing facts. I am merely asking that the same qualities be brought to bear insofar as possible on the more complex situations which have to do with living organisms and our social life.

In brief, then, we wish a wider and better controlled use of engineering and science to the end that man may have a much higher percentage of his energy left over to enjoy the things which are non-material and non-economic, and I would include in this not only music, painting, literature, and sport for sport's sake, but I would particularly include the idle curiosity of the scientist himself. Even the most enthusiastic engineers and scientists should be heartily desirous of bending their talents to serve these higher human ends. If the social will does not recognize these ends, at this particular stage in history, there is grave danger that Spengler may be proved right after all, and a thousand years hence a new civilization will be budding forth after this one has long laid fallow in a relative Middle Ages.

III: 1934

PRIOR TO his entrance into public service, Wallace was at one with a vigorous pressure group, behind the McNary-Haugen bill. Some of the men who now came to put the heat on him, as Secretary, were his former associates. He had a friendly feeling in general toward the "farm leaders," but their excesses of zeal disturbed him; and certain of the Washington lobbyists exerted pressure in ways which Wallace soon came to consider no less than attempted "political blackmail."

Reviewing the first year of Agricultural Adjustment in his book, *New Frontiers*, "Congressmen, Senators and the people in administrative positions are fully familiar," Wallace reflected, "with the technique that we may call hot spots, pressure groups and news drives. But ninety-nine percent of the people who depend for their understanding on what they read would be amazed if they could see the method at first hand. The injudicious use of these methods may eventually cause the United States to follow Rome into history.

"Insofar as these methods are used to awaken a sleepy government to its fundamental responsibilities, there can be no sound criticism. Energetic, yet selfish people thinking solely about short-time or regional objectives put on

drive after drive. One of the most interesting political thunderstorms I ever watched was that which precipitated the five Northwestern Governors upon Washington in November, 1933. . . . They had allowed themselves to be persuaded of the practicality of price-fixing and they came down to Washington to put the Administration on the spot instead of themselves. . . .

"The Farm Holiday folks in the Middle West were rarin' to go. A judge was jerked off his bench and confronted with a rope. A lawyer from an insurance company which was about to foreclose on an Iowa farm was tarred and feathered. Harassed debtors, kindly folk driven to desperation, were bound and determined to hold onto their farms and homes, law or no law. These things happened, and many more. . . .

"The Administration could not condone the violence and the defiance of law, but it could and did understand it. Every farmer in danger of foreclosure was invited to write, wire or telephone the Farm Credit Administration in Washington. Farmers who had corn to sell were invited to apply for a government loan at forty-five cents a bushel on the farm, the corn to be placed under seal for disposal in 1934. And, finally, a corn-hog adjustment program involving \$350,000,000 in benefit payments during 1934 and 1935 was at last ready for launching.

"By November the Corn Belt rebellion had begun to subside. It was possible once more to appeal to men's minds. . . . The thunderstorm had cleared the air. It was possible to explain why the emergency slaughter had to be followed by a complicated adjustment both in hog numbers and corn acreage in 1934, and to ask the help of thousands of volunteers in pushing this newest and hardest program."

His scheduled articles and addresses in 1934 numbered twenty-two, ten less than the total of 1933; but he published also in the course of the year three books. The first two were pamphlets of some 20,000 and 15,000 words respectively, derived entirely or in large part from speeches; the third, *New Frontiers*, was a full-length record of accomplishments, experiences, doubts and reflections, extending to 90,000 words.

The first pamphlet, *Statesmanship and Religion*, is in many ways the most valuable and revelatory of Wallace's published works. Published by the Round Table Press, New York, it is a rare book now, but still available in libraries. A great deal of nonsense has been talked and written about Wallace's "mysticism." Here we have his own decent and not too reticent expression of faith. The following excerpts touch but lightly on the first three chapters, transcripts of the Alden-Tuthill Lectures given before the Chicago Theological Seminary. The fourth or title lecture of the series, delivered before the Federal Council of Churches in New York City, is reprinted almost entire.

PROPHETS AND REFORMERS

The most fascinating thing in all history is the endeavor to discern the metaphysical, the psychological, the spiritual roots of those great movements in human behavior which take centuries to work out in the form of government, methods of transportation, music, literature and all the varied panoply of that which we call civilization.

The Hebrew prophets were the first people in recorded history to cry out in a loud clear voice concerning the problems of human justice. The social conflict of the day was strangely modern in many ways. The wandering tribes of Israel had come into the Promised Land and, while they killed off many of the Canaanites, a great many of them were undoubtedly left living.

The Canaanites were much more familiar than the Israelites with the ownership of land, the giving of mortgages, the taking of interest, the foreclosure of mortgages and the loss of property and even of freedom. All of these things seemed right and proper in a settled commercial civilization, but they never seemed right to those who had in their immediate background the traditions of wandering tribesmen.

The military genius of David for a time welded together these diverse elements in a superficial form. It will be remembered that David started off by gathering four hundred men of the discontented debtor class. After David became firmly seated, he forgot more and more about the down-trodden debtor class. Or perhaps the problem was such that no administrator could have handled it anyway. Absalom, seeing the discontent, led a revolt which David was able to put down because of superior military force. The same thing happened again after David died. Solomon, with the support of the urban commercial element, was able to triumph over Adonijah representing those who were discontented with what had become an urbanized administration. During Solomon's time, commerce expanded enormously. It was a period of great public works. Taxes increased, but not to an unbearable point until after Solomon died.

The binding together of the city and country populations, of the worshippers of Baal and of Jehovah, under David and Solomon was a temporary thing made possible only by the striking personalities of an exceptional warrior and an unusual builder and wise man. It costs money to maintain armed forces and to construct great buildings. Increased commerce is often at the expense of the country people, and a resplendent court is not always a joy to the farmer. Samuel foresaw all this, if we are to believe

the eighth chapter of I Samuel in which he predicts that kings would bring slavery and taxes and war.

The battle which had been brewing for more than fifty years broke out the moment Solomon died. The tax-burdened people no longer had their imagination fired by a great and wise man. They saw instead the taxes of the temple, and when Rehoboam was unable to furnish them either with a program of reduced taxes or commercial expansion, the breakup was inevitable. The richer country to the north, which had been paying more than its share of taxes and receiving less than its share of glory, withdrew. And now in both kingdoms, but especially in the richer land of Israel, began that striking conflict between Baal and Jehovah, between the commercial point of view and the old-fashioned hillman's attitude, and between the kept priestly prophets attached to the courts and those lionhearted, independent prophets who first of all historic men on this earth denounced the way in which a commercial civilization so often enables the rich to get richer at the expense of the poor.

It happens, fortunately it seems to me, that the Biblical record is heavily loaded on the side of the Progressive Independents. The fight conducted against the standpatters worshipping Baal and running their commercial affairs according to ancient respectable Canaanitish traditions in its inward essence is as strikingly modern as that between the Sons of the Wild Jackass and Wall Street. Of course today most people thoughtlessly look on such vigorous prophets as Elijah, Amos, Micah and Jeremiah as respectable old grandfathers with long white beards. As a matter of fact, they were as vivid as Senator Norris and at the time they made their pronouncements were as unpopular as the Senator in the Coolidge administration.

I am sure if we had been trying to earn a living in one of the walled cities of Judah six hundred twenty years before Christ, most of us would have been respectable worshipers of Baal genuinely worried about the subversive tendencies of that fellow Jeremiah who was breaking down confidence and saying things that were bad for business. Or if in the time of Amos we had been watching sheep in the hill country of Gilead or Judah, most of us would have said, paraphrased into modern vernacular. "Old Amos is sure telling those crooked priests and businessmen where to get off. If he keeps it up he will stop foreclosures and maybe get us an honest dollar that will remain stable in purchasing power from one generation to the next."

This was more than the professional prophet Amaziah could stand.

Amaziah immediately complained to King Jeroboam with the age-old plaint of respectable men rudely disturbed by a reformer; said Amaziah

concerning Amos, "The land is not able to bear all his words." He assumed Amos was one of the kept prophets of Judah and suggested that he go back home and prophesy there in return for the bread of his own land. Most prophets have been true to their bread, but you can't tell how they will act in a strange land.

It happened Amaziah was wrong and Amos in his wrath denied, as though it were an insult, that he was a prophet or a son of a prophet. He was simply a farmer and the Lord had come to him as he followed his flock. With wrath redoubled he returned to his task of prophesying disaster for misdeeds committed. Amos, an enraged farmer, seeing the havoc wrought by a commercial civilization, gave expression to the oldest passages of the Bible.

* * *

The reformers of the sixteenth century are astonishingly like the prophets who lived twenty-five hundred years earlier. They did not say, "Thus saith the Lord," but they spoke with equal conviction, and it is evident from their actions that such men as John Calvin and John Knox felt just as deeply, and were prepared to suffer just as much, for their convictions as Amos, Isaiah or Jeremiah. Like their earlier prototypes, they were attacking a powerful, entrenched priesthood. Undoubtedly, many of the evils and blessings of our present-day civilization trace to these men of iron who determined to seek God in their own way, no matter how much trouble they caused easygoing contemporaries.

It takes a long while to get out from under the shadow of a tremendous emotional conflict following suffering and the shedding of blood. Once prejudices are born, people tend to cherish them long after the need for them has passed away.

The causes which led to the Civil War were superficial phenomena compared with those which produced the Reformation. The warfare and the shedding of blood which grew out of the Reformation ideas lasted for nearly two hundred years. It is not surprising, therefore, that this tremendous conflict should cast a shadow which even today obscures the vision of both Protestants and Catholics as they attempt to assess the true character and contribution of the reformers.

Before going farther, I think it might be wise for me to give enough of my own religious background so that you can make due allowance for certain prejudices which may appear in this discussion. It should be obvious that I wish to emphasize those things which unite humanity

rather than those which separate humanity and perpetuate hatred, fear and prejudice.

It happens that I was raised in the United Presbyterian Church and that my grandfather was a United Presbyterian minister. The United Presbyterian ministers were educated men, well grounded in Calvinism, and many of them took delight in occasional sermons against the idolatry of the Papacy. In 1928 I remember a good United Presbyterian and his wife called on me and attempted to demonstrate from the Book of Revelation that the Roman Church was the Whore of Babylon and that in case Al Smith won the 1928 election, then the last days, in truth, were upon us.

As a growing boy and young man, I found considerable intellectual exercise and interest in following the severely logical Presbyterian sermons. A little later I began to question many of the points raised by the minister in the course of his sermon. After a time I felt that a critical attitude in the House of God on the Sabbath was not proper, and so I stopped going to church. In college I imbibed the customary doctrines of *laissez-faire* economics and "the survival of the fittest" evolution. Also, one of my college friends interested me in reading some pamphlets by Ralph Waldo Trine, one of which was entitled, *Thoughts Are Things*. Like all young men partially trained in science, I became rather skeptical for a time. More and more I felt the necessity for believing in a God, immanent as well as transcendent. About this time I attended a Roman Catholic service and was greatly impressed by the devotional attitude of all present. I had an instinctive feeling that I, also, would like to *genusflect*, to cross myself, and remain quietly kneeling after the conclusion of the Mass, in silent adoration. Some years later I studied, rather superficially, to be sure, the Aristotelian logic as developed by St. Thomas Aquinas, and used by the Jesuits and other neo-scholastic churchmen in support of the present Roman Catholic position.

Unfortunately, I found that intellectual studies of this sort tended to destroy for me the spiritual beauty of the Mass. For some reason the scholastic method of reasoning, as applied to religious matters, has the same effect on me as a closely reasoned Calvinistic sermon. I fear both Presbyterians and Roman Catholics would say that the Lord had hardened my heart. And so it is that I eventually became a member of a so-called high Episcopalian parish which, incidentally, is the most poverty-stricken in my home town. It is fair to tell these things so that you may make allowances as I deal with the men who brought on the Reformation. I have read both Catholic and Protestant books about these men and cannot but feel that all of the biographers are prejudiced witnesses. My

testimony may be equally prejudiced but, at any rate, I have given you a certain amount of data so as to put you on guard as to the type of prejudice.

Barbarous as John Knox undoubtedly was in many particulars, he nevertheless served to give the Scotchmen the character they have today. He was far more decisively on the side of the common man than Luther. More than any other reformer of his day, he believed that the church and the schoolhouse went hand in hand and many of his ideas, which seemed wild at the time, had a rather striking fulfilment a century or two later. His vigor was so overwhelming that he transformed one of the most miserably mismanaged countries of Europe into one which eventually became one of the most law-abiding and orderly. But Knox also unleashed other forces, as witness Froude, the historian, who credits him with responsibility for the "Adam Smiths with their political economies, and steam engines, and railroads, and philosophical institutions and all the other blessed and unblessed fruits of liberty."

Undoubtedly, the Scotch are better critics, scientists and economists than they would have been without Knox. Probably they are better statesmen and businessmen, but equally probably they are poorer in all that goes to make for appreciation of the beautiful and enjoyment of a rich and abundant life. Unfortunately, many of the Scotch gained from Knox a facility in denunciatory prophecy which makes them somewhat uncomfortable as relatives and neighbors.

This world was meant to be one world, and while it is proper that there should be the greatest diversity in unity, yet there is a spiritual fellowship which means something so definite in terms of the brotherhood of man that it must of necessity be expressed to some extent in outward form. Catholic and Mason alike recognize the validity of the saying, "Except the Lord build the house, their labor is but lost that built it."

No great religion, whether it be Christianity, Judaism, Buddhism, Hinduism or Mohammedanism, can recognize ideals which set up a particular race or class as an object of religious worship. While admittedly there has been but little true Christianity in the world during the past five hundred years, yet it would seem that a follower of Christ least of all should recognize nationalism as the commander of his spiritual self. From the standpoint of true religion, it is singularly unfortunate that so many of the faiths, churches and doctrines are confined by national boundaries and, therefore, take on national colorings. Any religion which recognizes above all the fatherhood of God and the brotherhood of man must of necessity

have grave questionings concerning those national enterprises where the deepest spiritual fervor is evoked for purely nationalistic, race or class ends.

In saying this, I am quite willing to admit that the great religions of the world have for the most part abdicated during the past fifty years, and perhaps even for much longer than that. Certain outward forms were maintained, vast sums of money were given, churches were built, rituals were observed, alms were distributed, ethical principles were inculcated, but the heart of religion which has to do with faith in the values of a higher world, with the cultivated joy of the inner life which comes from the Holy Spirit, both immanent and transcendent, was lacking.

I am afraid that Calvin would be forced to conclude that the soul of Protestantism had left the Church and gone into capitalism and that there it had become distorted by strange theories from the field of economics and biology. Searching for intensity of belief, Calvin might find it among capitalists, fascists or communists, all of whom are his spiritual descendants. Seeing all of this, Calvin would doubtless not weep but would observe, "Lord, thou hast foreordained all of this for the enhancement of thine ultimate glory."

The truly dismaying thing, of course, is the lukewarmness, the wishy-washy goody-goodiness, the infantile irrelevancy of the Church itself. Millions of people still bring joy to their individual souls by attending a church service. I know that there are millions of Catholics and high-church Episcopalians alone who obtain extraordinary comfort from the celebration in due form of the Holy Eucharist, the very thing which John Knox felt was more dangerous than ten thousand armed men. Millions of other church-going people find rest for their souls in attending church service, but here all too often there tends to arise a disputatious attitude concerning ethical matters discussed in the sermon and more appropriate to a weekday lecture course than to a Sabbath worship in the House of God.

You are all acquainted with fine, cultured, tolerant people who reserve their sharp practices and grabbing tendencies for the hard life of the business world and who are delightful and enjoyable companions in the social life of evenings and holidays. They yearn for a more satisfactory business existence, but do not know exactly how to bring it to pass. Most of them, unless they are only two or three generations removed from saintly ancestors, are decidedly materialistic and skeptical about the existence of God or a future life. They want their children to go to Sunday school and learn the Ten Commandments and the salient facts of the Bible, but they themselves are convinced of the fundamental truth of evolution, the strug-

gle for existence and *laissez-faire*, dog-eat-dog economics. They know that they have to "get" if they are not to be "gotten" and, while they don't like this kind of business any better than you or I, they don't know of anything practical to do about it. Therefore, the most decent of the well-educated materialists accept some form of "Lippmannesque" humanism as the way of making the best of a bad job.

Now, humanists are, as a rule, superficially agnostic yet resolutely practice the good life as they see it and do their best to bring that life to pass for other people as well. Many of them derive considerable pleasure from making fun of the sacred superstitions of the preceding generation and are doubtless a healthful influence in many ways because they puncture the hypocritical pretensions of people who dully profess "religion" and sharply practice business. In ordinary every-day life, humanists are interesting, amusing, stimulating and humble. People of this sort will always be very useful in keeping "religious" people from taking themselves prematurely seriously.

STATESMANSHIP AND RELIGION

The problem of statesmanship is to mold a policy leading toward a higher state for humanity, and to stick by that policy and make it seem desirable to the people in spite of short-time political pressure to the contrary. True statesmanship and true religion therefore have much in common. Both are beset by those who, professing to be able politicians and hardheaded men of affairs, are actually so exclusively interested in the events of the immediate future or the welfare of a small class that from the broader, long-time point of view they are thoroughly impractical and theoretical.

Religion to my mind is the most practical thing in the world. In so saying I am not talking about churchgoing, or charity, or any of the other outward manifestations of what is popularly called religion. By religion I mean the force which governs the attitude of men in their inmost hearts toward God and toward their fellowmen.

Jesus dealing with that force said, "Thou shalt love the Lord thy God with all thy heart and all thy strength and all thy soul and all thy mind. Thou shalt love thy neighbor as thyself."

The Catholic Church dealing with this force said in effect that the minds and hearts of men are best attuned to God and humanity through

the continual celebration in due form of the Mass by specially ordained priests whose duty it is also to receive and distribute alms.

Martin Luther and John Calvin dealing with this force said each man can meet his God face to face without priestly intercessor—each man can worship God most effectively by working hard in his chosen calling every minute of every day except the Sabbath.

The Reformation in action contracted rather than expanded the doctrine of Jesus; nevertheless, the extraordinary emphasis on the individual unleashed forces which enabled man through energetic self-discipline to conquer a new continent in record-breaking time, to develop an unprecedented control over nature, and to develop capitalism as a temporary mechanism for social control.

The classical economists of a hundred years ago in their highly individualistic, *laissez-faire* doctrine expressed in non-emotional terms the economic essence of Protestantism. Spencer, Darwin, Huxley, and their followers in promulgating the doctrine of natural selection and the survival of the fittest gave the whole idea an apparent foundation in nature. As a result Protestantism, which in its origin was highly spiritual, became in fact more and more material. Many of the ministers fought against the trend, but the children of the best families in their congregations for two generations or more have gone to college and accepted as gospel truth *laissez-faire* economics and "survival of the fittest" biology. Trimmings have been put on this foundation, but most of the children of our leading families have accepted as a matter of course an attitude toward the universe and toward their fellow man which is based on pseudo-economics, pseudo-science, and pseudo-religion.

Today I am glad to say that economics, science and religion are all re-examining the facts under pressure from the common man who is appalled by the tragic nonsense of misery and want in the midst of tremendous world stocks of essential raw materials. Science has given us control over nature far beyond the wildest imaginings of our grandfathers. But, unfortunately, the religious attitude which produced such keen scientists and aggressive businessmen makes it impossible for us to live with the balanced abundance which is now ours as soon as we are willing to accept it with clean, understanding hearts.

To enter the kingdom of heaven brought to earth and expressed in terms of rich material life it will be necessary to have a reformation even greater than that of Luther and Calvin. I am deeply concerned in this because I know that the social machines set up by the present administration will break down unless they are inspired by men who in their hearts catch a larger vision than the hard-driving profit motives of the past. More

than that, the men in the street must change their attitude concerning the nature of man and the nature of human society. They must develop the capacity to envision a co-operative objective and be willing to pay the price to attain it. They must have the intelligence and the will power to turn down simple solutions appealing to the short-time motives of a particular class.

Enduring social transformation is impossible of realization without changed human hearts. The classical economists, most orthodox scientists and the majority of practical businessmen question whether human nature can be changed. I think it can be changed because it has been changed many times in the past. The Christians of the second and third centuries inaugurated a tremendous change. Again, the Protestants of the sixteenth century introduced an element of firm resolution and of continuous daily discipline into human nature which had hitherto been lacking.

What a marvelous opportunity there is today to minister to the disillusioned ones who at one time had such perfect faith in endless mechanical progress, in the continual rise of land values in their own particular sections, in the possibilities of ever-expanding profits, and in wages which were to go higher and higher while the hours of work per week became less and less. This faith in triumphant machinery as the last word in human wisdom has now been rudely shaken. The ideal of material progress could satisfy only so long as we were engaged in the material job of conquering a continent.

Of course, those of us who are close to the scientists and inventors realize that extraordinary progress is yet possible. As a matter of fact, the possibilities along this line are almost infinite, but the significant thing is that we cannot enter into these possibilities until we have acquired a new faith, a faith which is based on a richer concept of the potentialities of human nature than that of the economists, scientists and businessmen of the nineteenth century.

What an extraordinary twist of the human mind it was in the nineteenth century to think of human society as composed of so-called "economic men"! As a result of this thought an increasing percentage of our population did become in fact "economic automatons." The profit motive ruled and it was discovered that, through the mechanism of money and the organized commodity and stock exchanges, it was possible to make huge profits in an atmosphere so theoretical and divorced from reality that mistakes in judgment, involving millions of innocent victims, became all too easy.

It is possible for powerful men in positions of financial influence or in control of certain fundamental mechanical processes to pose as hard-

headed men of affairs when as a matter of fact they have all too often created temporary illusions; they have been merely blowing bubbles. By the manipulation of money, the floating of bonds, they have distorted the judgment of our people concerning the true state of future demand and future supply. Oftentimes with excellent motives and looking on themselves as realists, they were in fact sleight-of-hand performers and short-change artists.

Yes, we have all sinned in one way or another and we are all sick and sore at heart as we look at the misery of so many millions of people, including among them many of our close friends and relatives; and we ask again and again why this should be so in a nation so blest with great resources, with nearly half the world's gold, with great factories, with fertile soil and no embarrassing external debt. We look at all this and ask what mainspring inside of us is broken, and where can we get a new mainspring to drive us forward.

The bitterness in the hearts of many of the communists and farm strikers in this country appalls me, but I am even more concerned about the way in which powerful business interests, steeped in the doctrines of *laissez-faire* and survival of the fittest, are able to hire fine intelligent men to serve short-time selfish ends by presenting their case in Washington. The expressions of the extreme left-wingers may oftentimes be venomously cruel and brutal, but I am thinking even more about the intelligent burrowing of those whose thoughts are guided chiefly by concern for immediate profit. Of course, our hope lies in the fact that the great bulk of laboring men, farmers and businessmen are neither bitter nor rapacious. They are patient, long-suffering people, slowly struggling to find the light.

We are approaching in the world today one of the most dramatic moments in history. Will we allow catastrophe to overtake us, and as a result force us to retire to a more simple, peasantlike form of existence? Or will we meet the challenge and expand our hearts, so that we are fitted to wield with safety the power which is ours almost for the asking? From the standpoint of transportation and communication, the world is more nearly one world than ever before. From the standpoint of tariff walls, nationalistic strivings, and the like, the nations of the world are more separated today than ever before. Week by week the tension is increasing to an unbelievable degree. Here reside both danger and opportunity.

The religious keynote, the economic keynote, the scientific keynote of the new age must be the overwhelming realization that mankind now has such mental and spiritual powers and such control over nature that the doctrine of the struggle for existence is definitely outmoded and replaced

by the higher law of co-operation. When co-operation becomes a living reality in the spiritual sense of the term, when we have defined certain broad objectives which we all want to attain, when we can feel the significance of the forces at work not merely in our own lives, not merely in our own class, not merely in our own nation, but in the world as a whole—then the vision of Isaiah and the insight of Christ will be on their way toward realization.

We are no longer faced with the problems of material scarcity. It no longer suffices, therefore, to strengthen the spiritual powers of the individual with the simple doctrine of the Psalms of David. The time has come now for the striking of a more universal note. This is especially necessary from the world point of view because never before have the different nations been so moved to act as separate national entities. It is time to hold aloft a compelling ideal which will appeal to all nations alike. I am sure that all of the noble religions of the world have in them a teaching of this sort. In the Christian religion you will find it in the Sermon on the Mount, and in some of the sayings of Isaiah and Micah. It is time for the religious teachers to search for these broader teachings. They are dealing with forces even more powerful than the scientists or the economists. When they have a fiery yet clear understanding of this, they will, by working on the human heart, so balance the message of the economist and the scientist that we will yet be saved from ruin.

Wallace's second pamphlet in 1934 gained wider attention and acclaim. Partly because its publishers, The Foreign Policy Association and the World Peace Foundation, had the foresight to print on the flyleaf a complete waiver of copyright, *America Must Choose* was reprinted in a variety of pamphlet formats by other organizations, reproduced in large part by *The New York Times*, and completely serialized by Scripps-Howard and other newspaper chains and syndicates. Its circulation in English ran into the millions, and the pamphlet was later translated into a number of foreign languages, including Italian.

Arthur P. Chew, senior economic writer of the Department of Agriculture, has recently published (*The Land*: Vol. III, #1; p. 35, 1944) some penetrating observations on the content and general response to *America Must Choose*. He argues that the drive of the New Deal's agrarian wing, which is commonly supposed to have proceeded Leftward, was in reality a rapid march toward the Right. He observes that

"the use of the tariff power in behalf of agriculture, through an artificial separation of exports from supplies intended for domestic use, was not a counsel of perfection, but a mere compromise, an offset as it were to industry's use of tariff powers. In its draft forms, moreover, the farm

program had demerits, such as its likelihood to promote reprisals abroad. Still, the alternative was farm bankruptcy. The agricultural leaders consequently pushed their program, though not without fear that it would break with our tradition and involve a compromise with principles that agriculture had condemned. They promoted it, in short, as a choice of evils—not as something intrinsically good. Even then it had the look of a movement to the right.

It isn't natural, however, for agriculture to move to the right; it loves production more than it loves restriction, initiative more than governmental regulation, and trade more than monopoly. With the cynical view that wealth should be acquired rather than produced, it has no sympathy. It wants income, not through overreaching, but through fair exchange, with prices made by markets rather than by governments. It has moved to the right since World War I, and built up a tremendous apparatus for controlling acreage, stocks, prices, and trade, not from choice but because the interwar breakdown of international trade has left it no alternative. Making a virtue of necessity doesn't mean liking such rough discipline. Farmers have not liked the recent growth of nationalism in agriculture, particularly not the repercussions it has had abroad; they have distrusted the growth of the superstate and looked back wistfully to the days when farmers could make their own decisions on the basis exclusively of market facts. Beneath agricultural nationalism, agriculture has developed a longing to be rid of it.

Henry A. Wallace expressed this counter-current as long ago as 1934, in a famous pamphlet entitled *America Must Choose*. It had tremendous success both here and abroad. *America Must Choose* foreshadowed what is now the official philosophy of the Allied Nations. It proposed world trade in place of trade restrictions; lower tariffs in place of crop controls. In a nutshell the idea was simply that our agricultural restriction program was something we should ditch as soon as possible. 'If we finally go all the way toward nationalism,' said the pamphlet (p. 11) 'it may be necessary to have compulsory control of marketing, licensing of plowed land, and base and surplus quotas for every farmer for every product for each month in the year. We may have to have government control of all surpluses, and a far greater degree of public ownership that we have now. . . . This whole problem should be debated in such a lively fashion that every citizen of the United States will begin definitely to understand the price of our withdrawing from world markets, and the price of our going forth for foreign trade again. Not only the price, but the practicality of going national should enter into the public's decision on the question.'

Here was criticism of the movement from its head; for the author of the pamphlet was the Secretary of Agriculture. He was the man in charge—the leader of the retreat from surplus acres, and of the entire "nationalistic" program with its government loans, government holding

operations, marketing quotas, acreage allotments, and export subsidies. This policy, the agricultural counterpart of our industrial tariff system, had obviously more kinship with the conservative than with the liberal tradition in American life. Mr. Wallace advised the farmers to look where it would lead—to count the cost in terms of land retirement, crop shifting, loss of comparative advantages, and increasing farm regimentation. He made it clear that though circumstances were forcing agriculture toward the right, its long-run interest lay in the opposite direction. In basic theory he wasn't very far from Clarence Darrow. Perhaps if Darrow had been Secretary of Agriculture he too would have moved toward farm regimentation and the rest of the nationalistic system, and at the same time deplored the need."

The brief excerpts from the pamphlet which follow omit points which have been covered in previous papers, and also omit passages which seemed pertinent to the world situation ten years ago but which are outdated now.

AMERICA MUST CHOOSE

Much as we all dislike them, the new types of social control that we have now in operation are here to stay and to grow on a world or national scale. We shall have to go on doing all these things we do not want to do. The farmer dislikes production control instinctively. He does not like to see land idle and people hungry. The carriers dislike production control because it cuts down loadings. The processors dislike it because of the processing tax. The consumer dislikes it because it adds to the price of food. Practically the entire population dislikes our basic program of controlling farm production; and they will do away with it unless we can reach the common intelligence and show the need of continuing to plan. We must show that need of continuing if we are to save in some part the institutions which we prize.

Enormously difficult adjustments confront us, whatever path we take. There are at least three paths: internationalism, nationalism and a planned middle course. We cannot take the path of internationalism unless we stand ready to import nearly a billion dollars more goods than we did in 1929. What tariffs should we lower? What goods shall we import? Tariff adjustments involve planning just as certainly as internal adjustments do. Even foreign loans might involve a certain amount of planning. When we embarked on our terrific postwar expansion of foreign loans, we did not plan. We plunged in blindly, and soon any reasonable observer could predict that the whole thing was bound to blow up.

We did not then in our boisterous youth have the same view that England had after the Napoleonic Wars. Rather consciously Great Britain placed its loans with a long-time program of imports and an exchange of goods in view. Our own adventure was only from the short-time profit consideration. What tariffs to lower? What goods to accept? How readjust our own farming operations and industrial operations to the planned inflow of foreign goods? We scarcely gave such things a thought.

I shall here try to sketch the probable price—in terms of the actual and psychological pain of readjustment—of following the national, the international, or a rigorously planned middle trail out of the woods.

As a foundation and framework of a new American design, we have undertaken to put our farmland into better order. What we have done has been frankly experimental and emergency in nature, but we are working on something that is going to be permanent.

If we finally go the whole way toward nationalism, it may be necessary to have compulsory control of marketing, licensing of plowed land, and base and surplus quotas for every farmer. Every plowed field would have its permit sticking up on its post.

I have raised the question whether we as a people have the patience and fortitude to go through with an international program when the world seems with varying degrees of panic to be stampeding the other way. It is quite as serious a question whether we have the resolution and staying power to swallow all the words and deeds of our robust, individualistic past, and submit to a completely armylike, nationalist discipline in peacetime.

Our own maneuvers of social discipline to date (1934) have been mildly persuasive and democratic. I want to see things go on that way. I would hate to live in a country where individual thought is punished or stifled, and where speech is no longer free. Even if the strictest nationalist discipline reared for us here at home, exclusively, a towering physical standard of living, I would consider the spiritual price too high. I think, too, that this would be pretty much the temper of the rest of the country; but there is no telling. Regimentation without stint might, indeed, I sometimes think, go farther and faster here than anywhere else, if we once took the bit in our teeth and set out for a 100 percent American conformity in everything. The American spirit as yet knows little of moderation, whichever way it turns.

A surprising number of farmers, after a year of voluntary production control, are writing me letters insisting that hereafter the co-operation of all farmers be compelled absolutely; and that every field, cotton gin, cow, and chicken be licensed; and that the strictest sort of controls be applied

to transportation and marketing. I believe they mean it, but I wonder very seriously whether they are ready for such measures, and if they really know what they are asking for.

The middle path between economic internationalism and nationalism is the path we shall probably take in the end. We need not go the whole way on a program involving an increase of a billion dollars a year in imports. There are intermediate points between internationalism and nationalism, and I do not think we can say just where we are headed yet. We shall be under increasing difficulties, no matter which way we tend, as our people become more and more familiar with the discomforts of the procedure.

My own bias is international. It is an inborn attitude with me. I have very deeply the feeling that nations should be naturally friendly to each other and express that friendship in international trade. At the same time we must recognize as realities that the world at the moment is ablaze with nationalist feeling, and that with our own tariff impediments it is highly unlikely that we shall move in an international direction very fast in the next few years.

There is still another trail—I mean the back trail, letting things drift, trusting to luck, plunging on toward internationalism as sellers and trying at the same time to huddle behind nationalist barriers as buyers. Even this, probably the most painful trail of all, is worth mentioning, for thousands of our people vociferously yearn to head that way; and the number of such people is likely to increase rather than diminish, I am afraid, in the next few years.

Whether we are prepared at this time to engage in a genuinely scientific nationwide discussion of the tariff, as it affects agriculture and other elements in a long-time plan for the whole nation, I have little means of knowing; but I suspect that the desperateness of the situation has done a great deal to make realists of us all. And I have faith that we can arouse from the ranks of our democracy, in city and country alike, a leadership that will address itself to fundamentals, and not simply blow off in the empty and prejudiced emotional bombast which has characterized such discussions in the past.

I lean to the international solution. But it is no open-and-shut question. It needs study, and above all dispassionate discussion. I want to see the whole question examined by our people in a new spirit.

The farm march toward a calculated harvest seemed now to be proceeding more evenly and to be gaining a level of understanding which permitted rather lofty discussion in world terms. Early in 1934, however, shortly after the

issuance of *America Must Choose* in February, it became apparent that 1934 was to be a dry year; and as the spring came on, the drought attained a severity and extent beyond the memory of any living American. "Never before in this country," Wallace, a long-time student of the weather, said late that summer, "has there been anything like it." Not only the Far West was scared, with cattle thirsting and starving; in the eastern intermountain and the Piedmont meadows the crops and pastures were burned to a deadening brown. M. L. Wilson of Montana, visiting the Piedmont upland of Maryland that summer, said it looked just like home.

On May 12, for the first time in the recorded history of our country, dust from the Far West had blown over our eastern seaboard, shrouding the Capitol, dropping the richness of Texas farms on the decks of ships a hundred miles offshore. This proved later an inestimable stimulus to soil-conservation measures the country over, but it was hard to see anything helpful about it at the time. "The drought," Wallace wrote in August, "created a new and gigantic relief problem." (R. G. Tugwell, the Under-Secretary, went West to oversee that.) "It compelled the Agricultural Adjustment Administration to face a situation in 1935 it did not expect to face until 1936 at the earliest; and it set in motion several imponderables—economic, social, political—the full effect of which none could foresee." The drought devoured the surpluses. "What the A.A.A. had planned to do in three years, the drought did—except for cotton and tobacco—in one. . . . In May and June of 1934 the A.A.A. began to overhaul its programs with the drought in mind."

Drought-nerves led many a stricken farmer and rancher to cry, sincerely, that the drought was a judgment of God. They saw in the dust swirling above their baked fields the image of tall cotton plants slain in their prime. They heard in the wind the wail of the little pigs. "To hear them talk," said Wallace, "you'd think that pigs were raised for pets." He pointed out that the people of western Canada who had not been forced voluntarily to reduce output had also been stricken by God's weather; and argued on the radio, June 6, 1934, for an ever-normal granary, such as had been used in ancient China and again in Bible times, to carry over the fat yield of good years and provision the people more evenly in times such as these. But "voodoo talk," as Wallace called it, increased and mounted; and the tom-toms of the press and opposition magnified the sound. Deeply troubled, almost angry, Wallace's talks began to take on a fighting edge; and on August 19 he published in *The New York Times*, for wider distribution later, an aggressive defense of the farm program which revealed for the first time his latent abilities as a campaigner. In the course of this article he prophesied, or came close to prophesying, that another world war was brewing, and that America would be in it.

IF WAR SHOULD COME

Because we have had in the United States this season the worst weather for crops in forty years, advocates of the old order whisper it around the country that the drought is a judgment from Heaven upon us, and they say that the entire program of the Agricultural Adjustment Administration should be abandoned immediately. They are advocates of chaos.

An adjustment program must in its very nature be kept adjustable, and it should be at all times subject to free criticism. But when you come to examine most proposals of the opposition you find that the cry is for no course at all. On our course to balanced harvest and an assured and stable food supply we have met bad weather. In time we shall meet bad weather again. Therefore, these old-deal pilots say that we must abandon distant landmarks, toss all charts overboard, and steer as of old from wave to wave. It was just such childish courses that had us about on the rocks on March 4, 1933, and we have as yet by no means triumphantly weathered the consequences of their heedlessness.

In our grabbing, joyous youth as a nation we could better afford to trust ourselves to such pilots. When things went wrong there was a near and friendly shore. In time of depression you could hit out for free land or still unplundered mines and forests, each man for himself, devil take the hindmost, and gamble some more.

But it should by now be plain to nearly everyone that we can no longer escape from depressions by a restless, greedy spirit and dumb luck. We cannot get out of this mess by throwing all discretion overboard, or by blindly sailing separate courses which have no sensible relation or common port. For the long pull we cannot starve agriculture and save industry, or fatten our agriculture at undue cost to our townspeople. Americans are too exclusively one another's customers to permit free raiding privileges either way.

The job of maintaining a just and workable internal balance of purchasing power is a hard one, but we cannot afford again to let things ride. We must lay a long-time course and manage to obtain an understanding, general allegiance to it. For one thing, our people in both agriculture and industry must soon decide whether they are going to make some necessary sacrifices along our tariff barricades, and open up business with the world again, or whether, under a rather severe system of internal co-operative discipline, we are going to try to keep business going more or less exclusively among ourselves.

There is also the long-time question of a wise use of our natural resources. The first of these is our soil. The damage this savage drought has done our land will heal with rain, but the damage that we ourselves have done our land by generations of haphazard, misplaced settlement, over-cropping, exploitation, and permitted erosion will never heal unless we take hold of the situation, and keep hold, with a long-time program of soil repair, resettlement, and balanced harvests.

On the new course, we are making progress; but we have far to go. There will still be out of work in the United States this winter about 8,000,000 men and women. Perhaps 5,000,000 of these are able and aching to work. They are blameless inheritors of a long-continued national policy of simply trusting to luck. The considerable part of our still-existing farm surpluses which is diverted through the present program to feed these millions will be of great help; but the unemployment situation continues serious and calls for something more enduring than patchwork and guess-work.

Our program to secure for farmers a pre-war parity price for their products has a definite and demonstrable connection with city employment rolls. When farmers are permitted to go broke by the millions, as they were under the old deal, our greatest single domestic market for city goods is shattered; factories are closed; breadlines are lengthened, and again are lengthened by the migration of dispossessed and desperate farmers seeking jobs in town, at any price.

Let me say at this point that opposition to agricultural adjustment is not merely partisan. Prominent among the opposition are men and interests tagged Democratic as well as Republican. They are believers in an industrial and agricultural wonderland where nothing is managed but where they imagine all things work for the best, and especially so for the best people. Their cruel and stupid national policy of high and yet higher tariffs for industry, with nothing to compensate agriculture for a vast loss of export business, led me to get out of the Republican Party. It seems that they have forgotten nothing and learned nothing in the hard years since 1929.

The same leaders who stood steadfastly against the restoration of foreign purchasing power by making possible importations of more goods from abroad, and who with equal steadfastness refused farmers producing export crops the right to make the tariff effective on their products, are again at work. All they can do is to league themselves with chaos. They have nothing new to offer whereby chaos can be reduced to order.

What counsel do these leaders bring us now? With tongues of duplicity they say in one part of the country that the A.A.A. should be done away

with forthwith, because most surpluses will have disappeared by the summer of 1935. At the same time in another section of the country their spokesmen profess to be greatly fearful of increasing imports of goods from abroad. They tell the consumer that he is paying the processing tax, the farmer that he is paying it, and the processors that they are suffering from it. It is the same old blend of fierce personal greed and muggy thinking that they offered us before.

The Democratic Party has been thrust by dire need into the role of a party of national reconstruction. The old party tags do not mean as much as they used to, by any means. I hope that they will mean even less in time to come. We badly need a new alignment: conservatives versus liberals; those who yearn for return to a dead past, comfortable for only a few, versus those who feel that human intelligence, freed and exercised, can lead us to a far more general abundance and peace between warring groups.

With the old crowd shouting the same cries and whimpering the same old incantations, it seems to me that the faster the showdown comes, and the more definite the division between the old dealers and new dealers of both great present parties, the better.

It is not true, as the old-timers charge, that the young Agricultural Adjustment Administration is inhospitable to criticism and cannot take it. We have taken plenty from the first, and have used whatever we could find in it to repair our mistakes on the march.

At times we have had to meet emergencies by rather crude measures. We have made some bad guesses. But on the whole I think we may claim to having stuck fairly close to attacking a fact which throws this nation badly off balance, unless something is done about it, from year to year.

The very first thing we tried to stress about the A.A.A. was its adjustability to changing circumstances and emergencies. Immediately after the passage of the Farm Act, in May of 1933, I went on the air, and said:

"If it happens that the world tide turns we can utilize to excellent advantage our crop adjustment setup. We can find out how much they really want over there, and at what price; and then we can take off the brakes and step on the gas a little at a time, deliberately, not recklessly and blindly, as we have in the past. But first a sharp downward adjustment is necessary, because we have defiantly refused to face an overwhelming reality, and changed world conditions bear down on us so heavily as to threaten our national life."

It is a poor piece of social machinery which is built to operate always in reverse. The A.A.A. was not thus planned or built. We have in it some-

thing new, and still crude, but it is a typically American invention equipped to meet crises, go around or through them.

Our agricultural adjustment machinery could readily be turned to spur rather than to check farm production should need arise. If this country should ever attain to an enlightened tariff policy reopening world trade, or if there should be war beyond the ocean and other nations clamor for our foods again, it is conceivable that we might offer adjustment payments for more rather than for less acreage in certain crops.

That is the very last use I should want to see our adjustment machinery put to, but it could ameliorate the waste and suffering of such an emergency, just as it can meet and to some extent ameliorate the suffering caused by this drought. With controls locally organized and democratically administered, we could provision a war in an orderly, organized manner, with far less of that plunging, uninformed and altogether unorganized overplanting which got us into so much trouble during and after the last great war.

I am convinced that the people of this country do not want to see another war or to get into one. If we have learned anything at all, we have learned that war is a bad business, a murderous business, and that all you can collect on it afterward is increasing grief. Another World War would conceivably destroy us and destroy civilization.

I do find some feeling here and there that a good-sized war abroad which we could keep out of, yet provision and supply, would be better as a measure of national recovery than toilsome, peaceful planning and a more generous internal sharing of existing wealth. But I do not think this feeling is widespread in business circles or elsewhere in our country. I feel that even those who did not suffer in the field the last time the world went crazy have now suffered enough postwar consequences so that they do not want new foreign customers, temporarily, for our farm and other products at such a price.

Like drought, earthquakes, flood, fire and famine, war remains, however, a recurring reality. Drought is upon us now. Beyond the seas, nations hurt by the terrible grind of ungoverned economic forces are in warlike mood. Their men are arming. We want none of that, but the world is small.

It is the duty of wise statesmanship to lay a far course and to lead people toward security; toward an alleviation of needless misery, dissension, and waste; toward peace among neighbors, classes, and nations. Yet the machinery set up to that end must be adaptable to use in times of tragic natural disasters, such as this drought, and in times of terrific outbursts of blind competition, carried, as has long been customary, to the *n*th de-

gree, with gunfire. That is why I have mentioned the adaptability of the A.A.A. to a wartime state, should such madness again possess the nations of Europe and Asia or our own.

As it is, we have laid a peaceful course, not too fixed or rigid, for American agriculture. It is a course to a far end: balanced harvests, with storage in an ever-normal granary; a peaceful balance between our major producing groups, rural and urban; a wise and decent use of all our land; a shared abundance, here at home; and, if possible, sensible and friendly trading relations with the people of other lands.

A TALK TO MORTGAGE BROKERS

There are certain rules of the game which must of necessity concern us. Those rules change from time to time. We have always had rules of the game, some of them set forth in the Constitution. The government must abide by these rules of the game, and to do so is not government-in-business. It is a function of the government to set traffic lights. It is not a function of the government to provide drivers for every car.

These traffic lights must be placed insofar as possible so that they will not distort our judgment as to future events. The deplorable thing about the tariff since the World War ended has been that the tariff was used to indicate that there was a market for goods which eventually proved not to exist. That was a traffic light falsely placed.

Insofar as the government had control through the State Department over loans abroad, that was a traffic light falsely placed. Insofar as the government has control over the corporate form of organization and through the methods whereby the corporate form of organization controls production and sets prices, government again has an opportunity rightly to place or to misplace traffic lights or rules of the game.

I think there should not be one type of rule for interpreting the law of supply and demand for products produced by machinery and another type of rule for interpreting the law of supply and demand for products produced by farmers or by small businessmen. Yet that is a situation that has existed.

We have come to the time when the world is knit together, when in considering the rights of the individual, we have to consider them with due regard for the rights of the encompassing whole. That presents the necessity for developing a social discipline such as we in the United States have never hitherto had to develop. It presents the necessity for discover-

ing what are, in the long run, the sound rules of the game for deciding just where we want to place the traffic lights and how long we want the green light to be on and how long we want the red light to be on.

Yes, there are truly stimulating possibilities as we endeavor to evolve an economic democracy. I think all of the forces which I have described having to do with the passing of a frontier; having to do with technological employment and new inventions; the fact that our population is not going to increase in the future as it has in the past; the fact that we have changed from a debtor to a creditor nation; the fact there is a grave social tension because corporations have been able to treat production and labor in one way and farmers in another; all will have to be reckoned with by any type of government we may have, whether it be communism, fascism, or socialism, or whether there be a Republican party or a Democratic party in power.

No matter what group of people may be in charge of our government, these forces will have to be reckoned with, and I trust solid, substantial, thoughtful people will be doing the thinking about these forces. For my own part, I hope that the administration that will be in power will be of the type that will be based on a true economic democracy, one which will endeavor to evolve the solution to economic problems in just the same understanding way that our county control committees are trying to evolve the solution of their own local problems as a unit, but with due regard and consideration for the necessities of the encompassing whole.

[*Chicago, Ill., October 4, 1934.*]

A FOUNDATION OF STABILITY

For a number of years I have been interested in the concept of the ever-normal granary, a concept not greatly different from that of Joseph, in Bible days, or of the Confucians in ancient China. It is obvious that when we produce very little for export, we have very little to fall back on in years of drought. When we were producing two or three hundred million bushels of wheat annually above domestic needs, an occasional short crop did not endanger our domestic supply; we simply exported less. In years when carryover is high, a short crop is likewise no embarrassment. Without either a large exportable surplus or a large carryover, however, a control program must admit the possibility of real shortage. To prevent this would be the purpose of the ever-normal granary.

If we are to continue production control, therefore, it may be the part

of wisdom to hold in storage much larger quantities of agricultural produce than we have formerly considered normal. We have before us as a warning the experience of the Farm Board. We must not build up these adequate stocks in such a way as continually to depress prices and damage the farmer. We want the strong hand of the government in control of these stocks, but the plan must be such that no mere political attack can dislodge it. Furthermore, the question marks that traders in the Farm Board days had on that plan must be removed.

Out of the combined experience of the Farm Board, the Adjustment Administration, and the Commodity Credit Corporation, it ought to be possible to devise a workable plan.

The corn loan program which held corn under seal would not have been sound had it not been tied up with production control. To lend anywhere near the market price on a farm product, and then to ignore this stimulus to production, is merely to invite trouble. The loans must be accompanied by production control. If that condition is met, a more uniform corn supply would be possible from year to year and a more uniform corn price would stabilize the quantity of fat livestock coming on the market. This would build a permanent foundation of stability under the livestock industry which in turn would contribute enormously to the stability of the entire business structure in the United States.

The outstanding danger would be a tendency continually to push the government loan higher, no matter what the supply-and-demand situation might be. We have already had sufficient experience with that to appreciate how weighty the pressure can be, and how real the peril. If farmers misuse the centralizing powers of government to the extent that certain business and financial groups have in the past, the result will be unhappy for all concerned. I am convinced that the concept of an ever-normal granary cannot be satisfactorily administered unless those in positions of power determinedly hold on to the ideal of a harmonious continuing balance among all our major producing groups, and resist at all times the pressure of the shortsighted.

[To the National Grange, Hartford, Conn., November 20, 1934.]

THE NATION'S DIET

The nation's diet is an important factor in the objective of our farm program. Dietitians have worked out, on the basis of the best available information, the kind of diet that the country needs in order to maintain

adequate health standards. Whether the nation's diet is restricted or liberal depends to a large extent on its purchasing power. The average family must have an income twice that of 1929 to enable it to buy the liberal diet which would absorb the product of land now in farms.

If city consumers could buy a liberal diet the immediate adjustment programs would take on an entirely different character. Instead of having forty million or fifty million acres producing surpluses, as in the last few years, we probably would require all these acres and more—not because human stomachs would expand with buying power, but because items in the more liberal diet are generally more costly in terms of land required to produce them.

Such a diet would result in some changes in the map of agricultural production, for it would alter considerably the proportions of various farm commodities that make up our menu. We would consume less cereals and more livestock products than we are accustomed to eating. We would consume less wheat than at present. We would eat more fruits, vegetables and dairy products. The production of truck crops, fruits and dairy products would have to be doubled or trebled to meet the ideal diet. An industrial revival with full employment and substantial increases in the income of low-income groups would be required to supply the needed purchasing power to support such a diet. And, in addition, the people would have to understand much better than they now do the nutritional values of balanced diets.

[*New York Herald Tribune, December 30, 1934.*]

IV: 1935

THIS was rather a light year for Secretary Wallace. He put forth twenty-four speeches or articles, but wrote or compiled no books. The drought relented, except in spots. Partly in consequence of short crops the year before, prices paid farmers were somewhat better, and on the whole farmers were happier. Ably backed by M. L. Wilson, his Assistant Secretary and later his Under-Secretary, Wallace advanced, within the Department and without, the concept that only by contributing fundamentally to the general welfare could Agricultural Adjustment be maintained on public funds. "Triple-A has got to get more honest groundline conservation for its money," he stated bluntly in De-

partment conferences, "or Triple-A will go down the drain." He urged also the development of Adjustment in terms of human conservation: nutrition. Wilson, who now is Director of Agricultural Extension, talked about this period of development in a recent interview-memoir (*The Land*; Spring, 1943):

In 1934, Henry put me on a commission to Cuba. We teamed off, we members of the commission. It was a study of land management and the human consequences. I visited plantations with a man from the Harvard School of Public Health, Dr. Wilson Smiley. He pointed out things. He talked a lot about the problems of our South particularly. He convinced me. He said: "You're an economist. You don't start in the right place—diet." He said that he could go to almost any part of the South; and if it were possible to put the people there in a pen and feed them right, why, in six months they would be new people. He said that a lot of people were nutritionally sick, and if economic recovery isn't underwritten with the proper diet it will never amount to much.

The Secretary and I, in '35 and '36, along in there, we talked a great deal about nutrition. We could see that in nutrition we had something of great interest, and something unifying, binding together all interests in agriculture, and outside agriculture. It could be the central thing in a new agricultural policy; and a policy in reference to low-income people.

The first section of this chapter brings together a number of Wallace's talks on soil conservation and real land values throughout 1934. The second section, similarly compiled, treats with changes in the world situation. The third section, prepared from a stenographic transcript, reports Wallace talking shop in an economic seminar; and in the fourth and final section of this chapter he makes a speech that he hoped would end all speeches on the pitiful death of the little pigs.

WITH ALL THIS LAND TO MEND

The Land Policy Report of the National Resources Board stands apart from the common run of reports. When we consider that erosion has already vitally impaired 35 million acres of farmland, that the topsoil has been nearly or wholly removed from another 125 million acres, and that another 100 million acres are starting in that direction, even in the best farming areas in the country—when we consider these facts, we must agree to the necessity of both rescue and preventive work. Because most of this land is in private ownership, the program can proceed only with the understanding and active co-operation of the owners. The government has already made a start in this direction.

Aside from the recommendations governing erosion, and one or two others, the problem of wise land use on individual farms in most areas still rests with the owners and operators of those farms. I hope that the Agricultural Adjustment Administration will be able to contribute something toward helping farmers solve the problem in the next year or two.

[January 11, 1935.]

* * *

SICK AT HEART

To see rich land eaten away by erosion, to stand by as continual cultivation on sloping fields wears away the best soil, is enough to make a good farmer sick at heart. My grandfather, watching this process years ago, used to speak of the voiceless land. In our time we have seen the process reach an acute stage, and we have at last begun to take to heart the meaning of soil exploitation.

Reluctantly we must admit that what we have to correct is one of the bitter fruits of unrestricted economic individualism. I suppose that the Chinese are the greatest individualists on earth. They cut their forests, silted up their streams, and destroyed millions of acres of their land by erosion gullies. Thus they became increasingly subject to flood and drought. Their soil, exposed without cover to high winds, blew around in raging dust storms. This individualistic treatment of the land has exposed the Chinese again and again to famine.

We in the United States during the past mere one hundred fifty years have handled our land in a way that indicates even more destructive possibilities. Over large areas we are even worse than the Chinese, because we have made no real effort to restore to the soil the fertility which has been removed.

[June 7, 1935.]

LAND SPECULATION

Most farmers today look forward to an economic situation vastly improved over that of recent years. The black hole of depression is becoming a distant memory. Their talk shakes off fear and despair. They speak hopefully of rising prices, fatter incomes, higher land values. It may not be long before the more imaginative, following the lead of some financial writer, will be talking about the New Era.

This can be a very exciting process. Indeed, it was a very exciting experience for city people in 1928 and 1929. It was likewise an exciting experience for farmers in 1919 and 1920. During either of those periods

anyone who questioned the durability of the excitement was a gloomy fellow and a killjoy, lacking in imagination and confidence. But events proved to be on the side of the killjoys.

Inasmuch as we are still paying the bill for those two wild spree, there can be little conscious intention to play the same old game again.

Sometimes I think land speculation is a plague more terrible than drought or insect pests, and almost as bad as war itself. With it go high taxes, thoughts of moving to California, and delusions of grandeur. It has been sixteen years since the last land disaster hit us, and only now are we beginning to recover. Doubtless farmland will be and should be somewhat higher in price than it is today. But if anything in the nature of a land boom comes, the men on the land will be the ones ultimately to suffer. Unusually high land values never did help real farmers.

During those days between 1910 and 1920 talk of rising land values filled our farm papers. Looking back on that period, we find it easy to say that farmers should have known better than to expect dollar corn and comparable land values the rest of their lives. The majority of mature farmers in 1920, however, had been schooled by the men who had bought farms in the 1890's, and who had seen only rising values since then. They had no experience to make them realize that the wartime rise in land values was as impermanent as the wartime rise in the demand for farm products. It seemed to them then, as it seemed to their city brethren in 1929, the dawn of a New Era. They felt that a time had come when farmers would always be more prosperous than they had been, that there was only so much good land in the world and that if they did not come into ownership of it right then and there, they would never have another opportunity. Many a young couple harnessed their ambition to a mortgage, and lived to regret it.

As the people who lived through that experience pass on, there will be greater danger of this happening again. It is most important for us to give the present young generation of farmers a basis for sounder judgment, and perhaps prevent or control those rather natural forces of human greed which lead us so seriously astray.

What form should this safeguard take? Should it be a direct limitation on the advance in land values, or some kind of indirect control? Possibly farm people should think about the desirability of an indirect measure such as a special amendment to the income-tax laws in order to put into the Federal Treasury virtually all profits from land bought between 1930 and 1936, say, or sold between 1936 and 1945. So far as I know, no one has thought through a proposal of this sort carefully, but I should like to see it and other suggestions discussed. Other suggestions, I am sure, will

occur as we turn our attention to this major problem. Certainly it is high time farmers were beginning to guard themselves against the delusions which so rapidly come when farmland starts booming.

The farmers of the United States have displayed the most remarkable fortitude during the cloudy days from 1920 to 1930, and during the days of terrible disaster from 1930 to 1933. But now they have a greater trial before them, the trial of handling a moderate improvement in such a way that it doesn't later on lead to another spell of destruction.

[*November 1, 1935.*]

ON THE MOVE

The world is definitely on the move. The young people know it. Some older people think that the good old world is going to come back to them again (I wish it were), the kind of world so many of us used to be happy in before the World War. But what is the use of deceiving ourselves? It really isn't coming back. It can't come back.

[*March 11, 1935.*]

* * *

We now have a situation startlingly like that under the Articles of Confederation. That early struggle for political democracy is paralleled today by an equally desperate struggle for economic democracy.

The contending groups of colonial days wanted governmental rights, but no obligations. Each group wanted governmental powers which would permit it to grab the lion's share of the total available income. They fought against a central government because they wanted to erect state tariffs, state currency systems, and to have the right to conduct their negotiations with foreign nations as regions rather than as one nation.

Yet I ask you to remember that against these potent dividing forces, certain unifying forces and unifying personalities did prevail. It was hard, grubbing work, day after day and year after year. It demanded not only a profound belief in the virtues of democracy, but also the ability to devise mechanisms capable of translating that belief into action.

Whatever our bill of particulars may be for the democracy of tomorrow, it will differ in some respects from the bill of particulars for the democracy of yesterday or of the day before yesterday. It is increasingly plain that the democracy of tomorrow must create a government capable of taking a fairly long view. There will be no room in such a government for the

spoils system or for the locality rule. There has to be definite, workable machinery to take the place of sectionalism, slowness, and impotence. It will have to be relatively simple to refer the most vital economic questions direct to the people for a well-matured yet sufficiently prompt decision based on adequate information, and the machinery for this will have to be so devised that the mandate of the people will come back clear and plain and compelling.

But this machinery will not run for long without the motive power of some unifying force. If we do not wish imperialism, or war, or communism, or fascism, or inflation, what is left? What I have to suggest must be put tentatively, more as a question than a ringing declaration of purpose. The old efforts to attain unity failed to provide anything enduring, it seems to me, because they were based on greed and prejudice and fear and hatred, on the hope of banding together to resist, grab or conquer. The question I would raise is whether a new unity can be built which is based on the principles of economic balance and an advancing culture. Is it possible to hope for an educated democracy, capable of making the necessary key economic decisions in a spirit which does not have its origins in hatred or greed or prejudice?

I mean to suggest no catchy slogans here, no sure appeal to the selfish instincts of men. What I have in mind is a living, undogmatic idealism which is always measuring the changing realities of the day and being reoriented by them. Any objective must of course include the material. There must be very concrete plans for the remaking of our physical plant, the utilization and conservation of our physical resources to the common advantage. But this is no final objective, else it is indistinguishable from communism or fascism. Unless there is beyond this a stubborn belief in the possibilities of the human spirit, the thing will fail.

To paraphrase the words of the late Justice Holmes, we must lay our course by a star which we have never seen, dig by the divining rod for springs which we may never reach. Democracy, as we should know by now, is not an easy form of government to maintain. The founding fathers suffered agonies in establishing this democracy of ours. We must be prepared to endure tribulations in our time if we hope to maintain it. But success will be worth whatever it costs.

When you dig deeply into any problem you find that there is nothing which concerns any single individual, or any single township, or city, or state, which does not become tied up quite rapidly with the entire nation and with the world.

I am not preaching internationalism when I say that, because I believe in the utmost development of each individual and each region and each

nation. But always it has to take place within the bounds of the great, encircling whole, and if that can be developed as a philosophy in the minds of the warring individuals and classes and groups and regions and nations, the time will come when a sense of fairness will be a part of second nature.

[*March 16, 1935.*]

AN EVER-NORMAL GRANARY

Now that the foreign market has been so largely destroyed by the rampant nationalists, the farmer has an obligation to give more and more thought to producing for the needs of the people of the United States and less to producing for the outside world. Now that the foreign consumer has been destroyed by our tariff policy, the American consumer must bulk larger in the consciousness of the American farmer.

It was for this reason, in the spring of 1934, before the drought of that year had become the worst in our history, that I came out with the idea of the ever-normal granary. It is a practical idea. It will help to meet our present-day American situation. It will permit farmers, with the help of the government, to apply the surpluses of fat years to the shortages of lean years. But unlike the Farm Board plan, it would include effective production control whenever necessary. I had begun to study this plan years before becoming Secretary of Agriculture. I was only too happy to utilize the first practical moment to put it before the American people.

Certainly the farmers of the United States should learn something both from the Farm Board and from the experience of Joseph. But in so learning they must protect the consumer. The American farmer owes a sacred duty to the American government and the American consumer to see that the consumer is adequately fed no matter how severe the drought. And there is the reciprocal duty of the consumer and the government to the farmer. No matter how favorable the weather may be, the government must see that the surplus is so handled that the farmer is not ruined by ever-declining prices.

[*May 16, 1935.*]

As an extemporaneous speaker Wallace is generally at his happiest before informal groups of fellow workers in the fields of science and public administration. Before dinner groups such as these, faced with matters no more urgent than to talk shop and enjoy it, he displays as a toastmaster generally unsuspected gifts, with a gentle sense of mischievous skepticism and a variety of professional urbanity entirely his own. Sometimes in a conference or seminar he will initiate the discussion in a like manner and edge it into deeper waters

toward serious conclusions. He inclines on such occasions to carry his load of learning lightly, even mockingly. Instead of exhorting he quietly applies the goad.

Transcripts of his discourse on such occasions are hard to come by; only a few have been made. On a trip west in October of 1936 he paused for an evening at his home college, the Iowa State College at Ames; and certain of his colleagues among the Land Grant College economists asked him to conduct a seminar, with no reporters present, but with a good stenographer in the back row.

SEMINAR IN ECONOMICS

From the memorandum here before me I see that I am supposed to talk on some fundamental economic concepts. Inasmuch as I have not had time to clarify my own mind sufficiently on these concepts, I think I shall steal up on them in a rather roundabout way, and perhaps it will be just as interesting for you.

It is always interesting to inquire, I think, how we got the way we are. It is interesting to inquire just how economists get that way. And perhaps I might illuminate the subject in as painless a way as possible if, by way of introduction, I would go over a few of my experiences with economics.

My first introduction to economics came by way of Professor B. H. Hibbard. I remember being asked in 1910, at the close of my college course, who had influenced me most, and I said Professor Hibbard. Later, of course, we came to disagree violently about the McNary-Haugen Bill and some other things; but I still think that Professor Hibbard is a very good teacher.

My first vivid impression with regard to economics came with the high hog prices in 1910. One of the animal-husbandry men suggested that there be held a seminar with regard to the high hog prices, and several seminars were held. I remember that Professor Hibbard suggested that the increased production of gold probably had something to do with the price level in the world, and that the high world price level in turn influenced hog prices. The animal-husbandry men told of a shortage of hogs due to cholera.

Another thing that happened in 1910 was that I attended the Graduate School at Ames, and met Professor W. J. Spillman and Professor George Warren of Cornell. These two young men were full of an almost Messianic complex about the farm-management approach. Previously we had been taught by what might be termed the Aristotelian method. You were

to look into your own mind for a notion as to what was good farm management, and correct it by your boyhood memories. But Spillman and Warren thought that one should go out on the farm and get firsthand knowledge. They spoke with a great deal of vigor. Interestingly enough, Dr. Spillman is the philosophic father—insofar as it may be said to have a philosophic father—of the Agricultural Adjustment Act, and Warren is quite strongly opposed to it.

I found myself on a farm paper a year or two later writing about how splendid it was to raise hogs and what fine returns they brought to farmers. When I first wrote I had not noticed that hogs were down to six dollars a hundredweight. When the low prices came to my attention, I determined to discover just what it was that made hog prices.

I got to studying corn prices, and corn supply as well. I didn't know any method of discovering just how to measure the contribution of five or six different causative factors relative to one particular dependent factor.

I didn't know much about calculus. Eventually I ran across Henry L. Moore's *Economic Cycles, Their Laws and Cause*. I took that over to a professor of mathematics and he showed me how Professor Moore had derived his curves. So I adopted as my motto the phrase found on the fly-leaf of Thompson's volume on calculus, "What one fool can do, another can." So I learned how to calculate correlation coefficients and came to have a very great respect for quantitative methods of economic analysis. For a time I thought all economists dealt too much with economic theory. Professor Pearson of Cornell happened to be out in Illinois, and we got close together in 1919. He had the same opinions as I about the superiority of facts over abstract reasoning. I think we egged each other on, and we compiled and analyzed a great quantity of statistics.

A little later I became very impatient with the school at Ames because it did not have a sufficiently strong statistical course. Professor Sarle and I spent some Saturdays going up to Ames, trying to enlighten their darkness. I am not at all sure but what it was the blind leading the blind. The only time I ever taught school was for ten Saturdays at Ames. My only students were the graduate students and professors. I was called a very bad teacher because I assumed too much knowledge on the part of the professors. At that time I really was thoroughly sold on the correlation method of analysis and assumed that everyone else should be.

I am mentioning these things merely because—well, probably for the same reason that Saint Paul used to tell the Jews how good a Jew he had been at one time. I merely want to say that I once believed in statistics. I do not know but what it is just as well for one to go through the experience. In like manner it is no doubt a good thing for every college student

to become a Socialist at one time or another. It is possibly a good thing for every economist to become a statistician. But I hope that he does not impute to statistics mystical values.

On the other hand, I do not know how one can endure working with statistics without believing them to have mystical value. I really do not know just what ought to be done about it. Perhaps those of you who naturally have a taste for figures will work with statistics, and the others will give them the go-by and will be just as well off.

When I felt the shadow of the World War coming on, I started attending meetings of the American Economic Association, the annual meetings held at Christmas time, and became quite fascinated. A certain learned gentleman would rise to his feet and engage in discussion. I thought it was something very delightful indeed. I imputed mystical values to that too, to which the discussion was not entitled. It was all very strange to me at that time.

One more thing. In 1913 I ran across Veblen's theory of the leisure class. I met him in 1918 and discovered that he too had been through a phase of the sort that I have described for myself, and that in 1891 he had prepared a study on wheat prices. I looked it up and found out for sure he had; but on reading Veblen's books I became convinced that the analyses of both the statisticians and the classical economists were rather beside the point. I still think Veblen one of the most stimulating of the economists, provided you can penetrate the protective coloration of his style. It is like Harding's style, which someone described as resembling an elephant wallowing in molasses, a very heavy, turgid style indeed. I think Isador Lubin over at the Labor Department said that Veblen's style was for purposes of protective coloration, so that he would not get fired too often. Yet at the heart, Veblen's message seems to me to be decidedly worthwhile, and an excellent antidote if one tends to take the classical analysts too seriously.

It seems to me that the classical economists reason too nearly in a vacuum. They seem to assume no direction coming from any source. Veblen assumes that there are certain forces moving darkly in the background of the market place. And I think anyone who spends any time in Washington, in times like these at least, is sure that there are certain forces in the background of the market place.

Suppose I sum up my attitude concerning economics as it exists by saying that, in my opinion, economics is for the most part just pure machinery. Now, that is not doing economists a justice. It is doing them an injustice. I have found again and again that most of the economists I have known in Washington are truly extraordinary individuals, with a

practical and developed sense of balance between classes which enables them to work out the practical solution of a given problem in a truly remarkable fashion. They would not be able to discern as accurately the justice of a particular situation if they had not been trained so carefully; first, by the careful logic of classical analysis, and, second, by the punishment of continual reference to detailed figures which are necessary in statistical analysis.

Those two approaches which supplement each other admirably, provided they are applied by a man with ordinarily well-balanced brain, bring to pass an individual who is powerfully equipped to be of extraordinary service in Washington. Compared with some of the men in the Department, I have at times found myself a neophyte indeed, being pushed in a particular direction by pressure given me by men supplied with certain statistical data, and saved just in time by one or the other of these economists, concerning whom I am on the point of indicating shortcomings. Before I do that, however, I wish to express to these economists an unusual and deep sense of gratitude, and I am sure that administrative officials in the Department generally and in the Triple-A particularly will agree with me.

It seems to me that economics of necessity must serve some deeper end in human life; and as we endeavor along this line, we will discover that the economic mechanism with which we are now equipped is a mechanism that is rather imperfect with respect to serving the true ends of human life. The economic mechanism which we now have has of necessity been built up out of ideas which we, in the United States especially, have had and that the capitalist economy has had during the past fifty years—or we might say 300 years, for that matter.

Going back 300 years, we can trace it in some measure to the Protestant Reformation which let loose forces of individualism in a way which was rather new in this world. The religious world was the focus of important decisions back in the 1300's and 1400's, and when the point was made that you did not need to go through the priestly hierarchy but were able to go to God direct—when that attitude began to influence millions of people, then individualistic forces were let loose which were very quickly appropriated by the incipient capitalistic enterprise, and capitalism was launched "in a big way." That was reinforced promptly by the discovery of America; and the very heart and soul of that approach was exemplified in American surroundings because the very soul of Protestantism could express itself best under pioneer conditions. There is the discipline of daily life, of rising at a certain time. Seven-eighths of the people still rise at a certain hour; and half of them still get up at the same time on

Sunday because they have the habit, though the Protestant tradition seems to be fading into the background as regards Sunday rising. But the Protestant discipline, the regimentation of the individual life according to the individual's soul, the discipline of saving, of thrift and frugality, resulted in the accumulation of capital supplies; and then of course you come along to the early part of the nineteenth century and have the Darwinian doctrine of evolution and Herbert Spencer's doctrine of the survival of the fittest, which was slightly different. And then in the economic world you have the whole *laissez-faire* doctrine, the Manchester school; and you have all these ideas being developed by various professors and filtered down to the graduates, and continually being worshiped by businessmen; and many of the economic graduates of the colleges becoming the hired men of big business and getting thereby the best salaries—some of them preparing monthly economic letters; and then individual Protestants, now seeking to enrich themselves as rapidly as possible through the stock market, reading these letters with avidity and finding on every occasion their disappointments hooked up with governmental action.

We found then, as in the decade of the twenties, something completely just in the whole setup of classical economics as promulgated by the high priests of that decade. Now that faith is in a considerable measure destroyed. I say "considerable measure," but it is still held by a great many economists, maybe half. Perhaps most economists still hold to it, also businessmen. If you want to work for the New York bankers, continue to perfect yourself in the doctrine of the decade of the twenties. Make yourselves high-priced valuable commodities. I am not altogether sure that these gentlemen who lurk darkly in the background of the market place in the long run will count so much after all. As a matter of fact, I am not really so sure they counted so much in the decade of the twenties.

This is not to say that the law of supply and demand is untrue. Of course it is very definitely true. I am one of the strongest worshipers of the law of supply and demand that there is anywhere. It works like the law of gravitation. But like the law of gravitation its action can be delayed by certain forces.

I think we are coming—by fits and starts of course—to a time when there is to be infinitely more co-operation than we had in the past, when the law of the jungle does not prevail to the same extent as it did in 1929. I think the New Deal faintly foreshadows certain ultimates in that direction.

As to what the economic laws are for a co-operative commonwealth as distinct from a competitive commonwealth, none of us knows so very well. In the competitive commonwealth where you have prices freely

moving, in response to supply and demand, day after day in the market place, you could in the old days, by studying the price array, make yourself into a pretty fair price analyst and price prognosticator, unless something unusual came in to upset the situation.

Therefore in the old days training of this sort was peculiarly useful; but if we are going to come into a co-operative situation, the function of planning plays a more important part. You begin to think more in terms of synthesis.

M. L. Wilson, the Assistant Secretary, in March of this year, (1935), started the Land Grant College people to making a physical survey, in each of the forty-eight states, as to how they would have their acreages in the different crops changed from the standpoint of bringing to pass the greatest conservation of soil fertility and also the best farm management, leaving out altogether the question of price.

The work was started last spring. In August and September we held four regional conferences to assemble the data, first by regions and then by the country as a whole. In our various contacts with the college people, we learned that they found it easy to think in terms of analysis but they did not function at all well in terms of synthesis. They had no practice. There has been little opportunity for planners in this country. There is, generally speaking, no such thing as planning economists.

In the physical world we find planners. People have had experience in city planning. But even where planning is accepted, there the synthetic approach is very rarely to be found. In economics it is scarcely to be found at all.

If it were to be found, how could you account for that most extraordinary tragedy of the United States moving so slowly after the World War to act as a creditor nation must act. A few men saw in 1920 what it meant for us to be a creditor nation, but most of the economists placed no emphasis on this all-important fact. I wish I knew the inside working of the State Department, to know whether or not the State Department saw the perils of our change from a debtor to a creditor nation. Did the State Department bring to the attention of the presidents of that day the necessity of adjusting our tariff schedules to the fact that we were a creditor nation?

You would feel that economists would have had a sense of duty that would have made them hammer away at the fact until the situation had been taken care of. But economists are not synthesists. Their greatest joy comes in getting into a cat-and-dog fight. At the economic meetings a certain learned gentleman gives a paper and the next gentleman makes it a point of honor to disagree. There is no constructive solution. They seem to feel that it is a kind of chess game. That may be all right as far as the

rank and file of economists are concerned, but it does seem that economists associated with the government should be all the time thinking of what is the constructive outcome for the nation. And I would trust that before this series of meetings is over, you would have some kind of committee which would submit for you something in the nature of a constructive plan—one hypothesis that the Liberty League would approve of; another hypothesis that would delight the hearts of economists; another hypothesis for the New Dealers; another for the Jeffersonian Democrats; and so on. They would have some things in common.

Now I would say in conclusion this: that I am convinced that behind economics, behind the economic machinery, there are certain truths in the field of philosophy—and behind philosophy, in the field of religion—which have to do with the direction of the activities of man; and that these are more important at this stage of the game than economics itself. Unfortunately, because of their nature, it is impossible to evolve a body of facts which can be subjected to critical analysis in this particular field. We are such children in the field of philosophy and religion and so uneasy when in it! But it is in this field that ultimate directions lie. Without unity of purpose about ultimate directions, the economic machinery cannot be properly oriented. That would be the subject for a further talk. While I could have arrived at this point earlier, my own mind is in such a nebulous state about it that I rather deliberately left it until this moment.

To talk in terms of philosophy and religion might make many of you rather impatient. The religious field at certain times has been of real concern and interest, but it is not now of genuine interest to one person in a thousand. Under many circumstances we hate to use the word "religion" because it has been so misused. By "religion" I do not refer necessarily to the church. Businessmen have a religion, something they give their whole hearts to. It seems to me there must be again a profound interest in the very largest significances, to which must be referred the economic machinery. I have not thought through that situation carefully, but I just feel that economics by itself, without orientation, is mere machinery. By using economic machinery skillfully you can go in this direction and in that, but when it comes to determining directions, you get into the field of philosophy and religion. Unfortunately, the most intelligent young men felt that they were satisfying their ego best by getting away from these fields into the world of business. Because very little prestige is given to philosophy and religion, there has not been a sufficiently critical analysis of these fields. Most of us are neophytes in these lines. I know I am. I feel, however, that in some manner we must have a much more powerful sense of direction.

PIGS AND PIG IRON

People are still interested in the six million pigs that were killed in September of 1933. In letters I have received following these radio talks, the pigs are mentioned more often than any one thing except potatoes. One letter says:

"It just makes me sick all over when I think how the government has killed millions and millions of little pigs, and how that has raised pork prices until today we poor people cannot even look at a piece of bacon."

It is common belief that pork is high today because the little pigs were killed in 1933. As a matter of fact, there is more pork now and the price is lower because these pigs were killed two years ago. Let me tell the story:

For eighteen months before August, 1933, farmers had been selling hogs for an average of \$3.42 a hundredweight. Such a price was ruinous to farmers. The average hog grower suffered from low hog prices during this period one thousand times more than the average consumer has suffered from high hog prices during the past few months. Hog prices in August of 1933 were intolerably low, and the northwestern Corn Belt was suffering from drought. There was every reason to expect prices to continue low because there had been an increase in the spring pig crop, and because the foreign market, which formerly had absorbed the product of as many as twelve million hogs from this country, had largely disappeared because of tariffs and quotas.

So six million little pigs were killed in September of 1933. They were turned into one hundred million pounds of pork. That pork was distributed for relief. It went to feed the hungry. Some very small pigs could not be handled as meat by the packers. These were turned into grease and tankage for fertilizer.

If those six million pigs had grown up they would have been marketed in January, February, and March of 1934. They probably would have brought around \$2.50 a hundredweight. Instead of that the price of hogs at that time averaged \$3.60. In January, February, and March of 1934, the consumers of the United States, in spite of the absence of the little pigs which would have come to market at that time, had their customary quantity of pork. Hogs at \$3.60 made it possible for farmers to buy more city products and so put more city people back to work.

If those little pigs had grown up to normal weight they would have eaten about seventy-five million bushels of corn. The pork made out of these seventy-five million bushels of corn would have been consumed by

August, 1934. But because of the emergency pig marketing program those seventy-five million bushels of corn were not eaten in early 1934. You remember that in 1934 we had the most terrible drought in our history. The corn crop was a billion bushels short. In that situation we had on hand those seventy-five million bushels of corn produced the year before, and that corn was used to make pork in late 1934 and early 1935. It gave us more pork this year than we would have had without it. Had it been fed in early 1934 the oversupply of pork would have been terrific then and the price would have been \$2.50 a hundredweight instead of \$3.60. But this year there would have been even fewer hogs and even higher prices than we have had.

As long as we have our program of Agricultural Adjustment we shall never again need to slaughter little pigs to keep hog prices from going to zero. We have the machinery to furnish consumers a normal, balanced supply.

I suppose it is a marvelous tribute to the humanitarian instincts of the American people that they sympathize more with little pigs which are killed than with full-grown hogs. Some people may object to killing pigs at any age. Perhaps they think that farmers should run a sort of old-folks home for hogs and keep them around indefinitely as barnyard pets. But we have to think about farmers as well as hogs. And we must think about consumers and try to get a uniform supply of pork from year to year at a price which is fair to farmer and consumer alike.

The drought of 1934, which cut the supply of feed grain by twice as much as any previous drought, is chiefly responsible for high pork prices today. The slaughter of little pigs in 1933 gave us more pork and lower prices this year than we would have had if they had been allowed to live and eat those seventy-five million bushels of corn. Those who hold to the contrary are misinformed.

Beef prices are high now because of the same drought. We have never had an A.A.A. production-control program in beef. Thousands of cattle were on the point of starvation in the West in 1934. Should we have allowed them to starve? Because we had the machinery of the Agricultural Adjustment Administration, we were able to step in promptly, buy those cattle, slaughter them and can them. The government has thus been able to distribute hundreds of millions of pounds of meat for relief that would otherwise have been wasted.

Strange to say, I find myself in strong sympathy with the attitude of many folks who held up their hands in horror about the killing of little pigs. I will go further than most of them in condemning scarcity economics. We want an economy of abundance, but it must be balanced

abundance of those things we really want. The pig-iron reduction control of the big steel companies in 1933 was in principle one thousand times as damnable as the pig-reduction campaign of 1933. Pig-iron production in 1932 was about twenty percent of that in 1929. Pig production in 1933 in pounds was ninety-seven percent of that of 1929. In 1934 pig-iron production was forty-five percent of that of 1929. Pig production in 1934, the drought year, was eighty percent of that of 1929. In other words, farmers cut pig production three percent when steel companies cut pig-iron production eighty percent. That sort of industrial reduction program plowed millions of workers out into the streets. It is because of that industrial reduction program that we have to spend billions for relief to keep the plowed-out workers from starvation. I hope industry in future reduction programs will not find it desirable to plow millions of workers out of their jobs. People are more important than pigs.

Great corporations should not finance people to attack Agricultural Adjustment. They are too vulnerable. Instead they should co-operate with agriculture to bring about increased, balanced production of those things which the American people really want at a price which they can afford to pay, but at a price high enough to keep the production coming without undue speculative gain. If industry were as productive as it knows how to be, the increased home market for fruit, vegetables, meat, and dairy products would be truly surprising. But this market cannot come to pass until industry ceases its reduction control program.

My attention has been called to a statement by a minister out in the Corn Belt before the district conference of his faith. Concerning the actions of the New Deal he says: "... some of them are downright sinful as the destruction of foodstuffs in the face of present want."

I have been used to statements of this sort by partisans, demagogues, politicians, and even newspaper columnists. To men of this sort I pay no attention, because I know that their interest in a cause makes it impossible for them to distinguish truth from falsehood. But when a minister of the gospel makes a statement, we expect it to be the truth. Just what food does he think this administration has destroyed? We would like to know the specific instances. If he is merely referring to acreage control which enabled us to keep out of use in 1935 some thirty million of the fifty million acres which have produced in the past for markets in foreign countries, I would say, "Yes we are guilty of acreage control and, depending on variations in weather, we shall continue to be until foreign purchasing power is restored by the breaking down of tariff and quota barriers."

We have not destroyed foodstuffs. We do not contemplate destroying them. However, foodstuffs *were* destroyed back in 1932 by farmers who

found it profitable to burn their corn for fuel rather than to sell it for ten cents a bushel (which amounted to \$3.33 a ton). It was cheaper for many farmers in the northwest Corn Belt to burn food for fuel at those pitiful prices than to burn coal.

People who believe that we ordered the destruction of food are merely the victims of their prejudices and the misinformation that has been fed to them by interested persons. What we actually did was to stop the destruction of foodstuffs by making it worth while for farmers to sell them rather than to destroy them.

Agricultural Adjustment of the past two years has been a million times as warranted as the industrial reduction policy of the past five years. Why does not the minister attack the industrial reduction which was made possible by corporate and tariff laws? It was this reduction by industry that created the *unemployment* and destroyed the farmers' markets. Might it not be better for all of us to do what is possible to build up on the part of both agriculture and industry a situation which will result in greatly increased balanced output of those things which we really want? [*November 12, 1935.*]

V: 1936

IN HIS FIRST term as Secretary of Agriculture Wallace was forced to grapple with crisis after crisis. Some of these crises were predictable. Consumer resentment of increased prices brought about by the deflection of stores to relief purposes and by an induced reduction of sowings could, for instance, be foreseen.

Ironically, the drought of 1934 served, in a measure, to let the New Deal agrarian planners out of a plowdown of breadstuffs—"the staff of life." "Fortunately," Wallace wrote in 1934, "the proposal was hardly advanced before the crop reports showed a sensational reduction on winter-wheat prospects because of unfavorable weather. It would not be necessary to plow under growing wheat; nature had already done it—unequally, cruelly, to be sure, but decisively, and without provoking the resentment of consumers. Our press section breathed a sigh of relief; it would not be necessary to write about the logic of plowing under wheat while millions lacked bread. I say this, it should be understood, seriously, for our traditional economy is an economy of scarcity, and it so happens that the larger the piles of surplus wheat in Kansas, the longer are the breadlines in New York. Crazy, perhaps, but quite orthodox in a society which still plays the game according to the rules of scarcity."

Even so, that unpredictable act of God, the drought of 1934, did not in the end make things easier for an Administration seeking to justify an extension of relative-scarcity price tactics from industry to agriculture. It was a hard line to have to argue. Many who did so, logically (not excluding Wallace), still reveal emotional remnants of a guilt complex not wholly unlike that of Southerners seeking to explain the harsh compulsions underlying racial discrimination in the South. The defensive and apologetic line of argument for restraint of farm production—"saucy for the goose, saucy for the gander"—proceeds, when all is said, from an amoral basis, and exerts neither moral nor emotional appeal.

Drought, on the other hand, arouses in the urban and dependent part of a population, especially, a disturbance which (springing perhaps from racial memory of famine) generates indignation and fear that can amount to panic. The reductions ordained from Heaven in 1934, aggravating the adjustments that had been "planned," created in the public mind of 1935 frantic disturbance and widespread protest. Already, the cotton growers had moved to make participation in a continued acreage-control compulsory throughout the South. Now potato growers, from Florida to Maine to Idaho, put pressure on Congress and secured a similar Act. The Potato Act aroused gales of opinion. These gales blew both ways at once, with Wallace in the middle. A Philadelphia society lady put potatoes in her front lawn and dared this Wallace to come tear them out. The commercial growers roared against his declared reluctance to administer a measure plainly unenforceable. He had his troubles. In 1935 also there were "meat strikes" among consumers, sporadic but troublesome, with a campaign year coming up.

In 1936, drought hit hard again. Also, this was the year of the Roosevelt-Landon skirmish. Wallace made only a few campaign speeches, and these were certainly not among his more memorable speeches. He simply pointed out that, for all their shouting, the Republicans were declaring for a continuation or restoration of the farm program without substantial change, whereas the Democrats proposed continuation with definitely developing changes and improvements.

The need of such changes, for some years contemplated, had been abruptly precipitated by the Supreme Court decision of January 6. While that decision was neither unpredictable nor unforeseen, it came sooner and was far more sweeping than most partisans of the Triple-A anticipated. "It's as crude as Henry Ford's first flivver," Wallace used to say of the Agricultural Adjustment Administration's first model. He held nevertheless for this strange social contraption an affection comparable to that which many men of middle years recall for Mr. Ford's Model-T; and his reason rejected as unfair and fantastic certain aspects of the Court's decision. He had started the year before to put on the air weekly a brief report of the Adjustment program's progress and setbacks as part of the National Farm and Home Hour. Here are three talks he made in response to the Supreme Court decision of the sixth day of 1936:

UNCONSTITUTIONAL

Twenty-four hours ago, the Agricultural Adjustment Act was declared unconstitutional by a majority of the Supreme Court of the United States, three members of the Court dissenting.

Both the majority and minority opinions are epochal. I cannot urge too strongly that they be read in full and studied carefully in every American home.

As an immediate consequence of the Supreme Court's decision, processing tax collections have been stopped, benefit payments have been cut off, and the whole machinery of the Agricultural Adjustment Administration has necessarily come to a pause. Sign-up campaigns for the 1936 adjustment programs have been halted. For the benefit of those who are still owed money by the government on contracts entered into before the Supreme Court decision, the majority leaders of Congress have given assurance that they will do everything in their power to speed the enactment of special appropriations to enable the government to make good on these contracts. Meanwhile we are studying every possible avenue of approach to a sound, satisfactory farm program.

[January 7, 1936.]

We are enormously concerned about a workable substitute for the Triple-A, but in order to work this out with the greatest speed possible it does no good to be downcast or crushed, or to lash out with angry words as long as there is an opportunity for accomplishing something by cool and peaceful methods.

The great bulk of the farmers of this country have steadfastly endeavored to get for their purposes the moral, legal and economic equivalent of what the corporate form of organization and the tariff give to industry. Since 1921 they have worked steadily on this problem. It took them six years to convert both branches of Congress and another five years before they got a President who saw things their way. How much longer it will take to gain the approval of the third branch of government remains to be seen.

It seems to me that the time has come when long-suffering patience calls for practical and immediate action by the Congress and the Administration. I say this because of the news that processing tax collections impounded by the Courts are now to be immediately returned to the processors. The Supreme Court so ordered yesterday. This money, which

may total nearly two hundred million dollars, represents charges which had in most cases already been passed on to consumers or back to farmers. I do not question the legality of this action, but I certainly do question the justice of it.

Thus far the farmers, like many of the rest of us, are a good bit like the man who had just had the breath knocked out of him. When he comes to, he doesn't know whether to laugh, cry, or cuss. The Administrator of Triple-A, Chester Davis, and I decided to grin and go to work.

As a matter of fact, after the Schechter Decision on the N.R.A., we decided that we had better prepare for a possible unfavorable decision by the Supreme Court on the A.A.A. We had worked out a great variety of plans which could be presented to Congress in case Congress called for them, but the decision was so sweeping that the problem before us is a little more difficult than we had anticipated.

The important thing, so far as the farm leaders, Congress, and the Administration are concerned, is to do some cool, hard, and determined thinking as to what can best be done as soon as possible to repair the damage to farmers and conserve the general welfare. Triple-A is not dead, and, even more important, the farm sentiment which was built up in fourteen years of strenuous fighting for equality to agriculture is not dead. Farmers are slow to start, but once they start they keep on going.

[January 14, 1936.]

In previous remarks concerning the order of the Supreme Court which returned to the processors nearly two hundred million dollars impounded by the lower courts when they restrained further collection of processing taxes, I was careful to observe that the technical legality of this order by the Supreme Court was not in question, but that what I did question was the justice of it.

To the mind trained in legalisms, such an order may be perfectly all right; but to the layman, it doesn't make sense. This money, somewhere between one hundred eighty and two hundred million dollars, had already been collected from the public as processing taxes. The processors didn't bear the tax; they passed it on to the consumers in the form of higher prices or, as the packers contended in the case of hogs, back to farmers in the form of lower hog prices. Doubtless everyone in this audience paid part of that two hundred million in the form of higher prices for flour, bacon, and cotton goods, or in the form of lower market prices received for hogs.

In the Hoosac Mills case, the Supreme Court disapproved the idea that the government could take money from one group for the benefit of an-

other. Yet in turning over to the processors this two hundred million dollars which came from *all* the people, we are seeing the most flagrant example of expropriation for the benefit of one small group. This is probably the greatest legalized steal in American history.

There is one heartening note in all this; many of the processors themselves are extremely uncomfortable about the whole business.

It is a shame that because of legalistic theories, divorced from economic realities and social justice, the Court should have created such an embarrassing situation for farmers, consumers, processors, and the government. The problem now is to discover the best way out of this situation, not in any vindictive spirit, but in the spirit so clearly shown in the preamble of the Constitution—to “establish justice.” Above everything, it seems to me that the essential spirit of the Constitution is to promote the general welfare.

[January 28, 1936.]

RE-ENACTMENT

There is a new piece of agricultural legislation on the statute books today to replace those portions of the Agricultural Adjustment Act declared invalid by the Supreme Court on January 6.

First let me mention some news which may have escaped your attention. I refer to the President's statement to the press on Friday that he would recommend to Congress the enactment of tax legislation, including taxes to recapture from the processors the processing tax money returned to them by the courts.

Already most, if not all, of the one hundred eighty million dollars of impounded taxes has been returned to the processors. The refunds are being viewed by a few processors as rightfully theirs, but the more general feeling among processors is that the windfall is “hot money.” Taxes to recapture these refunds, by the way, are being labeled “windfall taxes.” I believe it will interest you to know that several members of Congress have already introduced bills or resolutions bearing on this matter.

Turning now to the new farm legislation: I am reminded of the situation we faced three years ago this spring. Then, as now, we had an entirely new farm plan to operate. Then, as now, we were racing with time to get under way before the season was too late. There is this difference, however, that whereas three years ago farmers were broke and almost in despair, their financial position now is materially better and they look

forward to the future with hope. There is this difference, too, that farmers have the advantage of their three years of experience in operating the Agricultural Adjustment program.

The new law is called the Soil Conservation and Domestic Allotment Act. Its primary objective is wise land use. We hope, however, that as a result of the conservation of soil resources and the better use of land, supplies of the major farm commodities will be kept in approximate balance with demand, and we hope that the plan will have a favorable effect on farm prices and income. But any such benefits will be by-products.

As was true of the production control programs of the Agricultural Adjustment Act, the success or failure of this new plan will largely depend on the degree of co-operation given by farmers themselves. But inasmuch as more than three million contract signers did a magnificent job with the old production control programs, there is every reason to believe they will do as well with the new plan.

I believe that under this new program we can do a more constructive job of putting a firm physical base under our civilization than has ever been done by any great nation with a continental climate. I am confident that if we are able to overcome successfully the very real technical difficulties which now confront us because of the shortage of time, the new plan will be so universally accepted and appreciated by all interests in our society that it will continue for many years. [March 3, 1936.]

SOIL AND THE GENERAL WELFARE

Of all the circumstances which have combined to make this nation different from the nations of the Old World, rich soil and plenty of it, free or nearly so to all comers, stands first. Freeholders in a wide land of fabulous fertility, guarded by great oceans from foreign invasion, could erect separate strongholds of individual enterprise, free speech and free conscience. In no spread-eagle sense, but in plain truth, liberty and equality have been a natural outgrowth of our great gift of soil.

But the dynamic quality which characterizes civilized man does not leave such a gift unmodified. If nature was prodigal with us, we have been ten times more prodigal with her. During the past 150 years, we white men have destroyed more soil, timber and wild-life than the Indians, left to themselves, would have destroyed in many thousands of years.

It is easy to excuse the farmers of one hundred years ago for the way in which they mismanaged their farms. In the first place most of them didn't know there was such a thing as soil erosion. There was available very little scientific knowledge about methods of soil building or of avoiding soil depletion. In the second place, in a land so vast and with a population so thin, the easiest course oftentimes was to wear out a farm and then move on west. No one worries about conserving the air. Why should anyone give a thought to saving the land when there is plenty of it?

On the basis of their record it would be easy to indict the people of the United States as killers, looters and exploiters. Several species of wild life have completely disappeared, others have been greatly reduced, and fish cannot live in many of our streams because of pollution. We have wastefully slashed down our forests and have exploited our oil and mineral resources. Pastures and hillsides have been plowed. But in all of this I am convinced that the American people were thoughtless rather than willfully destructive. They were victims of the customs of the immediate past, when the important thing was to fill up a continent with people as rapidly as possible, even though the result might be exploitation rather than conservation.

Today we have come to a time when the continuation of the exploitive frame of mind can easily be disastrous. Already we have allowed erosion by water to destroy more than fifty million acres, representing an area equal to all of the arable land in New York and Pennsylvania. Another fifty million acres have been damaged almost to the point of ruin for productive use, and an additional 100 million acres have been seriously impoverished. The process of erosion is rapidly gaining headway on still another 100 million acres, some of it the most valuable farm land remaining in the United States. Wind erosion has nearly ruined four million acres and is active on about sixty million acres, largely in the High Plains regions. People who have not studied the results of investigations made at soil erosion experiment stations in central and western United States cannot appreciate how terribly real is soil erosion. At these stations arrangements are made for carefully weighing the soil which is removed from the land by the rain under different systems of cropping. On many slopes, one exceedingly hard rain will remove as much as an inch of soil from land in corn or in cotton.

Nearly half of our land is farmed by tenants who stay on the average only two or three years on the same farm and whose chief concern is getting together enough money to pay the rent this particular year. The landlords, on the other hand, are driven by the necessity of getting enough money out of the land to pay the taxes and interest on the mortgage and

they oftentimes have only slightly more interest in the land than the tenants. In other words, it would seem that on at least a million farms the landlords and tenants are forced by their economic situation to enter into a conspiracy which in effect promotes erosion rather than prevents it.

People in cities may forget the soil for as long as a hundred years, but mother nature's memory is long and she will not let them forget indefinitely. The soil is the mother of man and if we forget her, life eventually weakens.

When the cotton gin came into extensive use there began in the South an expansion of the cotton crop which resulted in the destruction of millions of acres of plow land in southeastern United States. When machinery was invented for the more rapid plowing, disking and cultivating of corn land, the farmers in parts of the Middle West entered upon a period of promoting soil erosion which put the farmers of the Southeast to shame as mere beginners in the art of soil exploitation. At the time of the World War tractors and combines came into the picture. Millions of acres of pasture were plowed. In the humid parts of the grain belt the sloping fields became greatly subject to erosion, and in the drier parts wind erosion became a serious problem, especially during March and April of the drier years. Drainage became an obsession, at the same time that the grass was plowed. Rivers were straightened, and the spring and summer rains were sent to the sea with the greatest possible speed. Lake levels and water tables dropped. Underground water reserves declined to a point which made it almost impossible to obtain well water in many farm areas when the dry seasons came along.

If the climate shifts to the dry side, dust storms, failing wells and lack of subsoil moisture will become an exceedingly serious problem in many areas. If the climate shifts to the wet side, the excess of drainage will not prove at all embarrassing but the planting of too much land in crops will result in sending the surface soil either to silt up the streams or to move on to the ocean.

Yes, the white man is learning that in a land with a continental climate of high winds and sudden dashing rains and rather violent extremes of weather from one year to the next, it is the part of wisdom to leave a higher percentage of the land in grass and trees than has been the custom in the United States so far.

The floods of March, 1936, made millions of city people conscious of the need for better management of the headwaters of our great rivers. Part of the problem is the erection of dams, reservoirs and levees; part of it is reforestation; and another important part is the holding of the soil in place on individual farms. In fact, engineering structures without simul-

taneous corrective action taken by the owners of land in the watershed may be made useless in a relatively short time because of the filling up of reservoirs through deposit of silt.

The life of a flourishing civilization demands recognition by landowners and the national government of the necessity of co-operating in behalf of the general welfare to prevent soil erosion and floods. This problem runs across state lines.

We may well take a lesson from northwestern China and Asia Minor. It took several hundred years for the people of these lands to reduce them to deserts. We in the United States are moving faster because we have the advantage of machinery. Thus far the damage has not been completely ruinous, but in another thirty or forty years we may do irreparable harm.

Probably the most damaging indictment that can be made of the capitalistic system is the way in which its emphasis on unfettered individualism results in exploitation of natural resources in a manner to destroy the physical foundations of national longevity. Is there no way for the capitalistic system to develop a mechanism for taking thought and planning action in terms of the general welfare for the long run as represented by the conservation of soil and other natural resources which are being competitively exploited?

The experience of Sweden would seem to suggest that excessive exploitation can be avoided, if the competitive spirit is restrained by reasonable regulatory laws and if the nation does a certain amount of national planning for the general welfare. Sweden has long led the world in the care and maintenance of its forest resources, and more recently has pursued an enlightened policy with respect to other natural resources, such as mines and water-power. Its forest laws require that all industries and persons engaged in timber cutting must replace the timber removed within a reasonable length of time and that no forest lands be left bare or unplanted with good new stock. In the case of mining industries, Sweden requires that private companies look to the long-time welfare of the people dependent on these industries by establishing welfare funds which can take care of workers and their families after the mines have been exhausted in any given locality. Sweden's efforts prove that a nation's natural resources may be used with regard to the long-time general welfare, rather than exploited merely for temporary profits. The United States is many years behind Sweden in this respect and might well profit from its example.

So far as soil resources are concerned, however, the problem is related to the business cycle and to unemployment in the cities as well as to practices of farming in themselves. For example, between 1930 and 1934

about two million young people were raised on the farm who normally would have gone to the cities but who stayed at home to go into the farming business. Largely as a result of these two million young people backed up on the farm, five hundred thousand new farms came into existence between 1930 and 1935. Many of these new farms are on hilly land and poor soil. The young people are certain to eke out a miserable existence on this poor land and the land is certain to be harmed.

Thus the soil problem is urban as well as rural. If city industry were to proceed at its normal rate of activity, it could absorb the excess young people from the farms and put them to work doing things much more profitable for the general welfare of the United States than the cultivation of land which ought to be in grass and trees. Nevertheless, I am convinced it is better for the young people of the farms to eke out a miserable existence on poor soil than to come to the cities to burden the relief rolls or sit around in idleness.

But it is not only the desperate farming of poverty-stricken individuals, burdened by the necessity of selling crops at low prices to pay rents, taxes or mortgages, that destroys the land. Large scale lumbermen, cattle-men and grain farmers are almost equally responsible. Big men as well as little men are soil destroyers. Sometimes the local or state taxation policy forces exploitation, especially in timber. Yes, we are all of us guilty in one way or another of neglecting the soil or fostering its exploitation in a manner which may prove to be exceedingly embarrassing for our children and grandchildren. Should regulatory methods be adopted? In some cases, yes, but in other cases it may be necessary to offer financial incentive to induce individuals to act in the public interest.

Under the Agricultural Adjustment Administration there were financial incentives for shifting millions of acres of farm land producing crops no longer needed (crops which were hard on the soil) into soil-enriching legumes and soil-binding grasses. The new Conservation and Allotment Act, we believe, will promote such shifts on an even broader and more permanent basis. Under the Soil Conservation Service needed experiments are being carried out and technical aid and services given to help farmers in 41 States to prevent erosion and remedy soil wastage on 141 damaged watershed areas. The Resettlement Administration is making readjustments of the use of land too poor for farming and helping families to find better land or occupation. The Tennessee Valley Authority is trying to control erosion and bad land practices in the entire watershed of the Tennessee River which embraces parts of seven States. These various programs are steps in the direction of wiser use and protection of our resources. But all of these efforts will be inadequate until we solve the prob-

lem of farm tenancy and the problem of unemployment, the twin problems of human erosion which strike so deeply into the heart of our national life. It is no mere figure of speech to say that we will not get rid of soil erosion until we also get rid of human erosion. . . .

[*Chapter VIII of WHOSE CONSTITUTION?*, Reynal & Hitchcock, 1936.]

FLOOD

To anyone who takes joy in the sight of rich and well-kept farms, as most Americans do, the wrong that has been done our land strikes home particularly.

After the March flood here in Washington, good earth lay in a muddy slime on the lower streets along the river front, and covered the tidal basin. In some places it was four inches deep. Some of us tried to figure how many farms had been deposited here where they were not wanted, only to be swept and sluiced away by the street-cleaning department, and sent on the way to the sea again. We gave it up. It was too disheartening. Yet this was only a very small part of the waste and damage that occurred that week throughout the country.

Such disasters bring home the fact that we have been thus far in our history a spendthrift people, squandering our natural resources. It is time that we developed a sense of thrift in these vital matters, and a sense of shame. There are present here today, I know, technicians much better equipped than I am to speak on controlling high water and its sediment at the far end, after the flood has been gathered together and is surging to the sea. In these few minutes I want to suggest possibilities of a considerable degree of control before the flood gathers—ways of slowing down the run-off of rainfall and soil, in the uplands, on the farms. [*Remarks before the National Rivers and Harbors Congress, Washington, D. C., April 27, 1936.*]

Throughout 1936, with drought searing the yield over a great expanse of our land again, Wallace earnestly renewed proposals for an ever-normal granary.

JOSEPH, CONFUCIUS AND THE FARM BOARD

Joseph was one of the earliest economic statesmen of history. During seven years of good weather, according to the 47th Chapter of Genesis, he stored up the surplus crops to be used when the drought years came. Then, in exchange for stored grain, he accepted from the drought-stricken farmers first, their money; second, their livestock; and third, their land. Apparently he put the farmers on the relief rolls until the drought was over and then gave them back the use of their land in exchange for a very low rent. It was a plan which worked well in ancient Egypt because behind Joseph stood Pharaoh.

In ancient China the followers of Confucius worked out a modification of the same idea which they called the ever-normal granary, and which provided that in the good years the government should buy up a certain percentage of the crops to be stored away until prices had advanced beyond a certain point and the crop had declined below a certain point. The plan was used with moderate success and occasional intermissions for more than 1400 years.

The Mormons, and especially the Mormon women, in the early days of Utah worked out a system of storing the surplus of their wheat against a time when the crops might be unusually short. The system was still operating in Utah in a modified form at the time the World War broke out.

The Federal Farm Board operations brought about considerable storage of wheat and cotton, but the storage was started in response to political pressure and there apparently was little thought as to when or how the surplus would be sold. The experience of the Farm Board was disillusioning both to the farmers and the Farm Board itself. The more the Farm Board dipped into the market to sustain the price of wheat and cotton, the lower the price seemed to sink; and the lower prices went, the less the farmers bought from the people in the cities. So we had the strange paradox of bread lines lengthening almost in proportion to the increasing surplus in storage. The more farmers produced, the less the city people produced.

Today, there is in the United States an unusual opportunity to take advantage of the experience of Joseph, the ancient Chinese, and the Farm Board. Some people who are more interested in the welfare of the specu-

lators than they are in the welfare of the farmer and the consumer, say, "You cannot regiment nature." Doubtless after Joseph had been storing grain for two or three years and had found it necessary to build more warehouses, his critics became numerous and loud. Doubtless the Egyptian fore-runners of those respectable citizens who act so hopelessly when confronted with the variability of nature said: "This fellow Joseph is crazy. We have had unusually good weather now for three years and Pharaoh must be crazy too for still believing in Joseph's foolish dream. It is labor thrown away to build warehouses to store up mountains of grain which will turn to dust and never be used." Of course, Joseph didn't mind people of this sort because he had despotic authority.

Fortunately for us in the United States, we are not under the despotism of a Pharaoh. We carry all our responsibility under a democratic form of government. But the droughts of 1930, 1934 and 1936 must by now have caused millions of people both on the land and in the cities to think about the advisability of some modern adaptation of the Joseph plan to the United States.

"You cannot regiment nature," say the reactionaries. True enough; but neither can you regiment death or fire or windstorms or earthquakes. We cannot regiment nature, but we do not have to let nature regiment us. The things which cannot be regimented by individual man are the very things which become the concern either of government or of such great co-operative institutions as insurance companies. The cry, "You cannot regiment nature," while true enough, is the cry of little men lost in primitive superstition. Joseph had a bigger vision than they. He didn't regiment nature but he did prepare for the whims of nature. [*Talk at Great Lakes Exposition, Cleveland, Ohio, August 19, 1936.*]

VI: 1937

Two of Wallace's earlier addresses in 1937 dealt with a situation which until recently few up-and-coming Land Grant College graduates cared to contemplate: Rural Poverty. In his weekly radio talk on January 22, "To triumph over the evils of farm tenancy," he said, "will be to achieve a national ideal that has stirred the hearts of the American people since our beginning as a nation." And if, he told a General Assembly of State Governments in Wash-

ington on January 23, the rural people are really the "backbone" of our national structure, then the backbone is weakening.

"We have been indulging in romantic thinking about the beauties of a farm background. The actual picture has acquired grimly unpleasant aspects. We are proceeding with a program of security for industrial workers, while among our farm population security is gradually declining. A million American farm families have an average total income of less than four hundred dollars a year. A half million families live on land too poor to warrant continued cultivation."

In February, appearing on a radio program with Harper Sibley, President of the United States Chamber of Commerce, and William Green, President of the American Federation of Labor, he expressed fear of two dangers: "One is that in their insistence on their own particular rights the largest [pressure] groups, being more skilled in running to Washington, may profit at the expense of the small units in the unorganized groups; and my other fear is that such pressure may bring about a condition of progressive scarcity and therefore a smaller national income."

In April he delivered a series of three lectures, the Weil Lectures at the University of North Carolina; and these were published in pamphlet form under the combined title, *Technology, Corporations and the General Welfare* by the University Press, Chapel Hill, that year. Lecturers in the series during previous years had included Jacob H. Hollander, William Allen White, Henry Noble MacCracken, Harold J. Laski and Felix Frankfurter.

TECHNOLOGY, CORPORATIONS AND THE GENERAL WELFARE

The biggest single fact in the modern world of economics is the recent growth of technology. Ever since the beginning of the nineteenth century, when new textile machines were introduced into England, when mill workers began to see that their jobs were insecure, and landowners and sheep growers sought protection against the threatening advance of cotton, the impacts of technological change have periodically baffled economists and statesmen. The early battles against the rise of the machine were battles against the inevitable. Today we readily accept the benefits of technology but find ourselves incapable of grappling effectively with the trail of economic insecurity and waste of human and natural resources.

The forward march of technology in industry is well known. Not so many people realize that technological change has come with equal speed on the farm.

I well remember my astonishment some twenty-seven years ago, when

taking a walking trip across Iowa, in discovering from the farmers themselves that the countryside had been to some extent depopulated during the previous thirty years. They told me how there used to be forty children at their country school, whereas at that time there were only ten. The farmers of Iowa in 1910 were producing more than in 1880, but there were fewer of them. Many of the farmers in 1910 felt that the tremendous changes which they had seen take place were about to come to an end. They were satisfied with the binder and the two-horse cultivator and the gang-plow, and had no desire to look forward to the tractor, the combine, and the two-row cultivator.

And now today, in the year 1937, we look back sixty years to the time when it took twenty-five hours of man labor to produce twenty bushels of wheat, as compared with ten hours today. Eighty hours of man labor would produce forty bushels of corn in 1880, while today only forty hours are needed. In the cotton belt in 1880, a bale of cotton required about three hundred hours of man labor as compared with a little over two hundred hours today. New machinery and new methods have not been quite so helpful in improving the efficiency of the corn and cotton farmer as they have been in improving the efficiency of the wheat farmer, but everywhere the influence has been felt.

During the first hundred years of our national existence the efficiency of the average farmer was increased about fivefold. During the past fifty years the average farmer has about doubled his efficiency.

Looking ahead fifty years, we know that it is possible again to double the efficiency of the average farmer. We cannot be certain of this, however, because there is no assurance as yet about the city unemployment problem. If unemployed people are forced back on the land, the efficiency of the average farmer will be tremendously cut down. Technologically it is possible that in the year 1987, when Philadelphia holds her bicentennial celebration of the signing of the Constitution, the average farmer will be producing twice as much as today and twenty times as much as the farmer of 1787. In 1787 it required nineteen people living on the land to support one person in town. Today nineteen people on the land support fifty-six people in the towns and cities of the United States, as well as from five to ten in foreign countries.

Looking toward the future, I can conceive of conditions under which agricultural efficiency per farmer would not increase. A combination of insect pests, diseases, drought, flood, declining soil fertility, and unemployed people from the city going back on the land might produce a condition under which the agricultural output per farmer in 1950 would be actually less than today. I think it much more likely, however, that the

weather during the next fifty years will be about the same as it has in the past fifty, although the fluctuations from one extreme to the other may be somewhat more violent. Furthermore, I believe that the Federal and State governments will continue to support research looking toward the control of insect pests, diseases, and soil erosion, and that eventually the intelligence of man will triumph splendidly in all of these fields of activity. Solving the unemployment problem in the cities is more difficult than taking care of insect pests, diseases, and soil erosion; but I would anticipate, if proper measures are adopted, that even this problem ten years hence would not be quite so bothersome as it is today.

Offsetting the forces that work toward reduced efficiency per farmer, there are powerful forces on the side of increased efficiency. Take the corn-hog situation, with which I am intimately familiar by reason of personal experience. I am certain that five or six years from now, if the weather is normal, the yield of corn in the corn belt will be at least 200 million bushels greater than would otherwise be the case on the same land, merely as a result of the widespread planting of hybrid seed. It is now definitely known, as the result of thousands of tests, that on the better land in the corn belt, adapted hybrids one year with another will outyield the old-fashioned corn by at least ten bushels an acre. At the same time, better rotations and more labor-saving machinery are being used. Within twenty years the improved rotations should increase yields on that part of the corn belt which is properly handled at least five bushels an acre.

With equally good weather, it should be possible thirty years hence to produce the necessary corn in the corn belt with about half as much land and labor as was required during the decade of the twenties. We will not need as many bushels of corn in the future as in the past because of the improvement which we shall make in the efficiency of our livestock and the improvement in our methods of feeding. It will be a long time before we improve the efficiency of our beef cattle so very much, but within thirty years we should have strains of hogs which will produce a hundred pounds of gain for seventy-five pounds less feed than required today, a reduction of nearly a fifth.

Since the World War we have learned to produce about forty percent more milk with an increase of only fifteen percent in dairy cow numbers. We have increased our pork and lard production eighteen percent with nine percent fewer hogs. Our chickens today have the capacity to turn one hundred pounds of feed into more eggs than could the chickens of twenty years ago. Thus far the greatly improved animal efficiency is largely the result of better methods of feeding and sanitation, but better

breeding from now on will count for more and more, especially in chickens, dairy cows, and hogs. Inasmuch as eighty percent of our corn is fed to livestock, it would seem to be possible thirty years hence to avoid plowing all land subject to erosion, and to put into corn only such a percentage of the land as will result in maintaining the soil fertility of the corn belt at a higher level indefinitely.

The cotton belt faces about the same prospects in technological progress as does the corn belt. In the future it may easily be that three-fourths of the agricultural products entering commerce will be produced by one-third of the farmers. It is equally possible that the other two-thirds of the farmers, producing only one-fourth of the commercial agricultural output, will be producing three-fourths of the children which will supply the next generation. As methods now stand, these children will be raised and trained under miserable conditions. One of the most difficult things about the unequal application of the benefits of modern culture and education is the effect it has of exaggerating the differences between man and man. My guess is that the genetic or inborn differences between farmers are exaggerated perhaps tenfold by the differences that are derived from the training, education, proper food, and the possibility of getting a little capital as a send-off.

The children of the farmers at the bottom of the pile are usually poorly educated and poorly fed, and more than half of them drift to town to work in the factory. Here, because of poor education, they are subject to exploitation of many kinds and easily fall for modern variations of the old rabble-rousing cry, "Bread and circuses." Both State and Federal governments may well ask what their proper duties toward the poorer farmers are, and especially toward the education of their children. Agricultural technology with all its boasted glories, realized and to come, sharpens this problem and makes it even more acute.

On the whole, it seems clear that in industry as in agriculture a rather high percentage of the benefits of increased productivity, resulting from new inventions and new methods, goes to the people who are already better off. Organized labor tends to benefit more than unorganized labor, and the well-to-do farmers benefit more than the poor farmers. Corporations, and especially large corporations, tend on the whole to benefit more than the small corporations and individual businessmen. There are plenty of exceptions, but on the whole technology exalts the dominance of those already on top and makes more hopeless the position of those at the bottom of the pile. Unfortunately, the landless, the homeless, and the unemployed have nearly twice as many children as are necessary to replace

themselves; therefore, the problem seems to grow as the machine becomes more triumphant.

There is nothing inevitable about this situation. It is possible to make the machine the servant of man and not the master. But it is going to be necessary sooner or later to change many of the governmental rules of the game as they apply to agriculture, to labor, to industry, to our natural resources, and to the distribution of our national income. All civilizations have had to face this problem in one form or another as they approached maturity, but no nation has ever had to face it in such a sharply focused form as the United States, because no nation has ever had such a powerful technology accentuating the differences in power and income between those at the top of the pile and those at the bottom.

* * *

Beginning in a big way seventy years ago, corporations have more and more dominated the business and political world.

Today, everyone lives in the sunlight or the shadow of corporations. More than ninety percent of the workers in manufacturing, transportation and mining work for corporations. For a long time the family-sized retailing establishment resisted the chain store and the mail-order house remarkably well, but in the last fifteen years the retreat of the small businessman before his big corporate competitor has been almost continuous. More than ninety percent of agriculture is still conducted by family-sized units, but even here the trend of technological development is bound to give the corporate form of organization many of the advantages it must have in order to compete successfully with cheap family labor.

The proportion of total assets controlled by the two hundred biggest corporations of the country is constantly increasing. It seems probable, assuming a continuation of the conditions of the past fifteen years, that by 1950 the 200 largest corporations then will own seventy percent of all corporate wealth.

Thus far, the people of the United States on the whole have been rather friendly to corporations, just as they have been friendly to labor unions and farm organizations. But from now on it would seem that the general public will become more and more critical of special grants of Federal or State power to particular groups. It is not enough that in the past the great corporations should have furnished most of the people of the United States with automobiles, telephones, electric lights, and radios.

I am not one of those who cares to raise prejudice against corporations. It is a mistake to condemn all corporations as ruthless monsters seeking to plunder defenseless competitors and gouge the public. The directors of

great corporations are usually earnest gentlemen, well versed in the rules of the competitive profit game and oftentimes unusually skilled in the management and technology of their particular enterprise.

It seems to me that very few of us can criticize the corporation directors for lack of knowledge of their particular business, but we can criticize many of them for having very little knowledge about the relationship of their business to the general welfare over a period of years. True it is that many of the big corporations have shown a splendid attitude with respect to their labor and with respect to the charities in the cities where they are located. Individually they have done wonders in building up-to-date factories to expand production, but collectively they have not yet learned the secret of expanding consumer purchasing power as rapidly as production. Corporations, until they have learned how to co-operate together or with the government to keep consumption in step with balanced expansion in production, will be one of the dominating factors in causing the alternating period of boom and depression.

Previous to 1929, very few people felt that corporations had even a partial responsibility for booms and depressions. But now we know that corporation policies having to do with production, employment, prices, and savings are dominating factors in the business cycle. True it is that the individual corporation is almost powerless to do anything about it, aside from displaying ordinary common sense and decency. It seems to me, however, that the directors of the great corporations might show a more enlightened attitude toward the government in its efforts to see that corporate management does not produce such wide fluctuations in production, employment, savings and profits. It seems to me that corporations must more and more be prepared to accept the doctrine that capital and management have received from government a grant of power which entitles them to make profits on condition that certain rules of the game are observed with respect to production, prices, wages, and savings.

Both the Federal government and the corporations are rather inexperienced in thinking about this kind of thing, because it was not until 1931 that anyone realized what extraordinary power big corporations have over production and prices.

To nearly everyone, the big corporations have been in a position to say, "Take it or leave it," and the public had to take it even when it meant millions of men walking the streets, even when it meant thirty-cent wheat, even when it meant prices for manufactured products which had been cut very little.

In some ways the situation with the big corporations today is like it used to be with respect to individual banks and the central bank. In the

old-fashioned bank panic the individual banks invariably did the things which made the panic worse. In the mad scramble of suddenly called loans and rapidly withdrawn deposits, everyone got hurt. In the banking world we have learned enough so that the central banking policies of the Federal Reserve System enable us to avoid the barbarism of the old-fashioned bank panic. We learned that central banking principles in certain respects had to be almost exactly the reverse of local banking principles—that in time of stress the central banks must be liberal and in time of prosperity hard-boiled. In the field of corporate organization the ingenuity of man has not yet developed a central clearinghouse for increased balanced production. If such a central clearinghouse were developed I am convinced the principles governing it would be as different from the principles governing a particular corporation as the principles of a central bank differ from those governing a local bank.

The relation of the big corporations to the general welfare is an even more complicated problem than the relation of local banks to central banking policy. There must be the most careful study, therefore, in every field of industry, of price, wage and production policies, and relationships between these policies in one industry and the policies in another industry.

It would be a fine thing if businessmen representing all of the heavy industries could get together and survey the business outlook not only for the ensuing year but also for the ensuing three or four years. They might say, for example, "This building boom is coming on fine now, but it can't go on this way indefinitely. What is going to happen to us when it breaks? Can we co-operate with the government to prevent it from getting out of hand? Can we co-operate with the government to be sure that the government has a sufficient volume of public works and subsidized housing to take care of the situation when the boom finally does break? Are there interrelated industries which could, under some appropriate assurance against loss, undertake a program of production over a period of years so as to contribute to stability of employment?" Or representatives of the heavy producers' goods industries might perhaps meet with the representatives of the consumers' goods industries and survey the outlook for the ensuing year. They might say in this conference, for example, "The activity in heavy producers' goods is now climbing up faster than the activity in consumers' goods. This cannot be sustained for more than a year or so without a break. We believe the unusual activity can be sustained, however, if consumers' goods are stimulated. To do this means the adoption of policies which increase consumers' buying power. We therefore recommend to the government so and so and so and so."

Businessmen with the individualistic attitude they have had in the past

will undoubtedly be slow in starting anything of this sort. But it is to be hoped that they are not too slow, because one of these days another 1929 will be upon us and in the haste and flurry of a moment like that it is difficult to act sensibly.

Corporations in their policies are not alone in their neglect of the general welfare. Organized labor and organized agriculture, insofar as they have the power, act in a somewhat similar way. Labor tries to get higher wages per hour and to make higher wages more certain by cutting the hours of work per week. In like manner farmers want higher prices per bushel, backed up if need be by production control. Obviously, if the price, wage and production policies of all three groups are completely successful the result will be to give everyone more and more money and less and less goods. Modern technology means increased production, but the rate of increase is undoubtedly being held down by these organized pressure groups which are striving for profits and wages and not for increased output of goods. The organized groups, having no suitable machinery to enable them to co-operate for their mutual welfare, fight each other and promote the general "ill-fare."

When we think and act solely in terms of wages per hour or prices per unit, superficially there seems to be conflict among the interests of farmers, laborers, and business, for higher prices and profit per unit for one group seem to mean higher costs and reduced standard of living for the others. This conflict is unnecessary. It arises from an overemphasis upon prices alone, and from a failure to realize that each individual's income depends not only on how much he makes per unit, but also upon how many units he sells. Sometimes the biggest gains can come from lower prices per unit, together with an increased volume sold. Such gains can be realized, however, only with a wise balancing of production, so as to get most of the increases in those products, such as housing and industrial products generally, where human wants and needs are least well satisfied. Policies which result in moderate costs and profits per unit, either of farm products, labor, or manufactured products, but also in a balanced expansion in the total number of units sold per producer, can increase the income of each group at the same time without being burdensome to any of the others. Viewed in these terms, there is thus an essential unity among the interests of all three groups. Only by developing our national economic policy in terms consistent with this fundamental unity can all profit at the same time.

It is appropriate that agriculture and labor should not rest until they get bargaining power equivalent to that enjoyed by the corporations. But after they have obtained the power it is even more important that the

attention of all three groups be directed at once to co-ordination in the production of ever-increasing quantities of the right kinds of goods.

At the moment there are many misunderstandings, but nevertheless the productivity trend of the United States seems to be steadily on the upgrade. Many people are deeply concerned about the temporary misunderstandings. Serious as they are, I am inclined to think that they are relatively unimportant compared with the growing appreciation on the part of the labor, agricultural and industrial leaders of the necessity of co-operating with each other and with the government to increase production in a balanced way.

* * *

Is it now conceded that the function of government is somewhat more than that of an economic salvage crew? Is the cost of salvage, of cleaning up the wreckage from boom and depression, now so great that government should be asked to prevent some of the destruction from ever occurring? If the answer to these questions is "Yes," then of course government must exert an integrating and stabilizing influence in our economy.

Corporations, labor unions and farm organizations are continually making decisions which affect both production and prices. Many of the decisions made by corporations, labor unions and farm organizations are made with the knowledge or actual help of the government. More and more the government is being made aware of the way its monetary policies, tariff policies, regulatory activities and Federal expenditures affect the general welfare. A new science of government is in the making, the broad outlines of which are just beginning to appear.

There is a tendency for organized groups to believe that by exerting pressure they can get from society more than is there. They have had enough temporary success with the use of pressure to be encouraged in this belief. It is easy for farmers to feel that with the help of government they can get two dollars a bushel for their wheat year after year. It is easy for industrial corporations to feel that through monopolistic tariffs and rigid prices they can rake in excessive profits year after year. It is easy for labor to feel that because corporations have frequently accumulated excessive profits, organized labor has only to put on the screws and obtain, year after year, increasingly higher wages and shorter hours.

It is perfectly true that any one group can for a time get a larger share of the national income, but it doesn't work when all try it at the same time. Sooner or later the pressure game will blow up in our faces unless we provide a constantly larger national income to divide up. This is really

a matter of simple but intensely practical arithmetic. Unless we learn it, our future is black indeed.

If government is to be partly a policeman, partly a co-ordinator, partly a clearinghouse, and partly a stimulator—all on behalf of the general welfare—the problem of economic democracy becomes supremely important. If government marches into the economic field decisively and directly at the top, the result can be a regimentation of all types of activity in a manner completely abhorrent to the American temperament. Carefree exploitation without thought of the consequences is, of course, delightful to the American temperament. But that has come to an end and we now have to do some searching thinking about serving the future by the processes of economic democracy.

Economic democracy means that the various economic groups must have equality of bargaining power. But going along with this *right*, there is also the *duty* of serving the general welfare.

Fundamentally, the most significant things in a modern economy are ideas, technology and natural resources. Secondary to these are the corporations, the co-operatives, the labor unions, the farm organizations and other organizations through which a true economic democracy can express itself. Here in the United States, at the moment, we have by far the best opportunity to work out an economic democracy which can serve as a model for the entire world. The new world of the general welfare is beckoning. New opportunities await the men with a bent for public service, whether in government, in labor or in management. The rewards in terms of satisfaction are far beyond those which any captain of industry in the nineteenth century could dream of. The world to which I refer is not fanciful or unreal. The foundation is now being laid, and it is to be hoped that no disturbance abroad will distract our attention from the real job here at home. [*Conclusion of the Weil Lectures, University of North Carolina, April 4, 1937.*]

RECONCILIATION OF CONFLICT

Reconciliation of conflicting interests was a great purpose and accomplishment of the Constitutional Convention, and it remains a great necessity today. It is possible to scorn unity and reconciliation, and to permit disunity to prevail. It is possible for each great economic interest to be defiantly selfish, and to ridicule the claims of the general welfare. It is possible for business, labor and agriculture to fight each other first with

economic weapons and finally with clubs and guns, and so to achieve what seems, for a moment, to be victory and glorious independence. It would then be possible for each of these great interests to split up within itself into an increasing number of warring groups, each struggling for control.

All of these things might conceivably happen, but we know that the result would be the end of democracy and the most violent period of anarchy this nation has ever seen. No man of deep convictions likes to yield even a fraction of his beliefs; no group long used to supreme economic power likes to see that power slipping out of its hands; no group which believes it has suffered long-continued injustice likes to stop short of Utopia. Nevertheless, as the compromises of the Constitutional Convention itself suggest, it is possible for men of good will to submerge their own deep convictions, their own group interests, and their own feelings of injustice to the imperative and supreme need for national unity.

And, in the light of the first 150 years of our history as a nation, can anyone today say that the Founding Fathers should *not* have made sacrifices in order to form a union? Should the merchants of New York and the shippers of Massachusetts and the planters of Virginia have clung obstinately and jealously to their individual convictions and interests, even if by so doing they prevented the birth of the nation?

There are leaders in other lands who would like to see the forces of disunity conquer in this country. They would like to see democracy fail, in order that their own nervous belief in dictatorship might be strengthened. They jeer at democracy, and say a democratic government acts only when it is too late. In their minds there can be no progress and no unity in a democracy. For them there are no men of good will; there are only men of force.

The world is tasting the fruit of their philosophy today. Men of force are ruthlessly attacking whole civilizations. No man can say what the result will be beyond this: that democracy, as never before, will have to prove itself by deed as well as word. Democracy in the United States must be made to work. In a world war-torn and beginning to burn, it is essential that democracy in the United States be made to live and to grow by appealing to the unifying principles of 1787. [*Constitution Day radio address, September 17, 1937.*]

THE POWER OF BOOKS

It is worth while from time to time to speak in awe and reverence of the power of books. There are, of course, strong books and weak books, beautiful books and ugly books. Tonight I propose to confine my comments to some brief observations concerning a few of the books which, regardless of artistic merit, have had a powerful effect upon the Western and especially the American world of affairs. Some years ago a gentleman addressing the annual meeting of the New York Library Association listed fifteen books as having had a more decisive effect on human history than Creasy's fifteen decisive battles. In his list he undertook to set off the *Iliad* against the battle of Marathon, Shakespeare against the defeat of the Spanish Armada, and Darwin's *Origin of Species* against the Battle of Waterloo. Such suggestions are stimulating but in no way accurate. In some ways certain books are more powerful by far than any battle and it is about a few of the many books of this sort that I wish to talk tonight. These are books which have given direction to the Western human spirit throughout the ages. They have changed human institutions and some of them have caused the shedding of much blood. Many of these books have broken up old disciplines and have offered new freedoms, which in turn have resulted in new disciplines, which later on offered a shining mark for a revolutionary new book.

Undoubtedly the most powerful book of all the ages is the Bible. It has caused the shedding of millions of gallons of blood and has soothed hundreds of millions of aching hearts. The fiery example of insurgent prophets shouting, "Thus saith the Lord," has caused many a man to battle for social justice with superhuman strength. The humble example of the long-suffering Christ has caused many millions to live calmly and hopefully in the most difficult circumstances. The vigor of a Saint Paul has given extraordinary energy to many thousands of evangelists. Yes, here is a book which has proved itself more potent by far than any decisive battle or army or empire. Reinforcing the Bible with great power in producing a Christian discipline are such books as Saint Augustine's *City of God*, and Thomas à Kempis' *Imitation of Christ*. In this last we find the individual human soul striving desperately to discipline itself by continuous meditation into that which was conceived to be the Christian mold. Thomas Aquinas, the great Dominican Scholastic, in his *Summa* assembled the most powerful, logical presentation of the Christian doctrine that has ever been put together in one book. The *Summa* today not only has a most

powerful effect in the Catholic Church but also in Neo-Scholasticism, which is having something of a revival outside of the Catholic Church.

It seems as though all powerful systems of thought inevitably set up their oppositions and so we find the careful scholasticism of the Middle Ages provoking many books to make fun of the detailed reasoning of the scholars and the corruption of the clergy. Of these the most influential perhaps was the Erasmus book, *The Praise of Folly*. Many were the books in the sixteenth century which endeavored to break the old molds. *Don Quixote* laughed chivalry out of court. Translations of the Bible into the native tongues freed the spirit of theological inquiry. John Milton in England wrote his *Areopagitica* in defense of free speech, and ever since that time English-speaking people have had a tolerance for freedom of expression which cannot be found elsewhere in the world. The Protestants who reached out for a new freedom found it necessary to impose on themselves a new individualistic discipline. To this end Calvin wrote his *Institutes* and John Bunyan his *Pilgrim's Progress*.

The books which really launched the human spirit of the Middle Ages into the field of matter more effectively than any others were Francis Bacon's *Novum Organum* and Copernicus' book on the revolutions of heavenly bodies. These two books, coming shortly after the discovery of America, aroused the imaginations of men in a new direction. From such books, and Newton's *Principia*, have sprung the scientists whose devotion to truth is as pure and lofty as that of any priest.

With the rise of the scientists also came the rise of the humanists who, like Rousseau, Thomas Paine and Voltaire, wrote their books on the rights of man. Paine and Voltaire had in them a streak of sarcasm, bitterness, satire and humor which stirred men's minds. Thomas Paine's pamphlet, *Common Sense*, probably did more to arouse the Americans to revolution against England than any other book. He was a hell-raiser. Alexander Hamilton and James Madison were builders. The *Federalist* essays which they wrote were a determining force in bringing about the ratification of the Constitution.

In the late eighteenth and early nineteenth centuries the doctrine of individualism and competition was set forth in a really powerful way for the first time. The economists and the rising manufacturers rebelled against the limitations of mercantilism, and their views were expressed by Adam Smith in his *Wealth of Nations*, by Ricardo and by John Stuart Mill. Darwin in his *Origin of Species* and Herbert Spencer in his *Social Statics* both expounded the doctrine of natural selection and survival of the fittest. Thus the groundwork was laid for Nietzsche's *Zarathustra* and the violence of the modern Germanic approach based on the doctrine

of the superiority of certain germ plasms. The forces which Darwin, Adam Smith and John Stuart Mill let loose in the biological and economic worlds, combined with those originated by Hegel in the philosophic world, produced in the mind of Karl Marx one of the most powerful books of the nineteenth century, *Das Kapital*. Whether we like it or not, everyone in the world today is different because of *Das Kapital*. Without *Das Kapital* there would have been neither the Communist nor the Fascist experiments. All of us today are living more under the shadow of *Das Kapital* than under any other book of the nineteenth century.

Of all the American religious books of the nineteenth century it seems probable that *The Book of Mormon* was the most powerful. It reached perhaps only one percent of the people of the United States but it affected this one percent so powerfully and lastingly that all the people of the United States have been affected, especially by its contribution to opening up one of our great frontiers. The same may also be said for *Science and Health* and perhaps for several other books of this type, even though the great majority of Americans have been affected by them only indirectly.

When it comes to the books of the twentieth century, it is difficult for anyone to choose with any certainty the most powerful. In the United States, Turner's *The Frontier in American History*, has undoubtedly caused many of the most thoughtful Americans to consider most carefully changes which the passing of the frontier would inevitably bring upon us. Probably there would be some unanimity of opinion among the more thoughtful Americans of my generation with regard to the lasting effect on the psychology of the American people of the pragmatic philosophy of William James. Even more significant probably is Sigmund Freud with his *Interpretation of Dreams*.

My own inclination is to list Thorstein Veblen's books, *The Theory of the Leisure Class* and *The Theory of Business Enterprise*, among the most powerful produced in the United States in this century. Some of the most respectable economists, like Wesley C. Mitchell of Columbia University, as well as some of the most radical of the left-wingers, have been deeply influenced by Thorstein Veblen. In my opinion he is one of the few American writers who have appeared thus far in the twentieth century who will rank higher fifty years hence than he does today.

Further comment on the most powerful books of the twentieth century must be increasingly personal. I would include Max Weber's *Protestant Ethic* among the books which have had a tremendous influence both directly and indirectly. For my own part I cannot help feeling that Weber and his disciple, R. H. Tawney in England, have derived the spiritual basis for capitalism a little too exclusively from the self-denying Protestant

discipline which so many individuals developed in their personal lives. It seems to me that while in many parts of the world modern capitalism owes much of its spiritual vitality to personal Protestant discipline, yet it is derived in almost equal measure from the philosophies which found their origin in Adam Smith's *Wealth of Nations*, John Stuart Mill's writings, and Darwin's *Origin of Species*. While not many people would agree with me, I would like to pay a tribute to Ferrero's book published in 1913 on *Ancient Rome and Modern America*. This book made me shiver profoundly for the first time at the thought that the cities of the United States might thoughtlessly commit suicide in the same manner as the cities of ancient Rome through the process of destroying the life on the land.

Equally significant to me a quarter of a century ago was Flinders Petrie's book, *Revolutions of Civilization*. In this little book is found the essence of that which Spengler developed at such great length a decade later in his *The Decline of the West*. But whether the source is Spengler's or whether it is Petrie's, there is now a widespread belief in many quarters that civilizations almost of necessity are characterized by spring, summer, fall and winter, and that each of these periods has its spiritual, artistic and material expressions. Personally, I cannot help feeling that some of the most powerful books of the future, while recognizing the fact of rhythm in civilization, will in effect be written as an offset to the fatalism of this approach.

While I hesitate to speak of books by Americans who are now living, I cannot help expressing my belief that Charles Beard's *An Economic Interpretation of the Constitution of the United States* is certain to be looked on by the next generation of historians as one of the significant books of the early part of this century. While there is ground for disagreeing with Beard on some of his points, both his friends and critics must agree that this book has caused thousands of people in the United States to look at the Constitution in a far more vital and human way than would otherwise have been the case.

In the field of twentieth-century science it is too soon to say whether any of the books will compare in their revolutionary effect with those of Darwin, Bacon, Newton and Copernicus. Perhaps Einstein's book on relativity or Gregor Mendel's paper, rediscovered in 1900, which gave us the new science of heredity will deserve to rank with these older books. Despite the new physics and the new astronomy, however, science continues in the main to be the natural unfoldment of the approach created by men of the type of Bacon, Newton, Copernicus and Darwin.

There is no time in this presentation to deal with novels. Their influence is usually passing, and yet we cannot fail to recognize the extraordinary

significance of Dickens novels as they aroused the moral indignation of the English-speaking people with regard to social conditions. *Uncle Tom's Cabin* undoubtedly had a powerful effect. In the United States the most powerful novel of the century, not from an artistic point of view but from a social point of view, is Upton Sinclair's *Jungle*. From this book came much of the packing inspection and pure-food work in which the Department of Agriculture engages to protect the American public.

While I have spent nearly all of my time refreshing your memories about some of the powerful books of the past, for my own part I am much more interested in the powerful and significant books of the future than I am in those of the past. Most of the young people of the next generation are not going to read *The Origin of Species* or *The Wealth of Nations* or *Das Kapital* or any of the other powerful books of the past if they can possibly avoid it. But many of them will read the powerful books of the future. The stage is now being set for some of the most powerful books which the world has yet seen. Humanity everywhere is hungry for both a new freedom and a new discipline. The books which played their part in producing modern capitalism, fascism and communism do not have in them sufficient food for the human soul. Humanity is infinitely more decent than the infamous acts of the last twenty-five years would indicate. Modern science and modern technology both tell the story of one world. They tell the need of integrating, synthesizing and co-ordinating knowledge on a higher plane. Such integration is necessary to prevent modern civilization from committing suicide.

The truly significant books of the immediate future in both the economic and scientific fields will deal with co-ordination and synthesis. Efforts will be made to co-ordinate science with economics, government and philosophy. More and more humanity is feeling disappointment in the destructive and unbalanced effects of analytical science and *laissez-faire* economics. More and more humanity senses the need for co-ordination of our vast detailed knowledge in application to the economic, physical and spiritual life of the individual and the nation. The future requires powerful books which will point the way for a re-co-ordination of knowledge in the service of the economic, artistic and spiritual needs of man. The parts must be brought together in the service of the whole in a way which will maintain the vitality of the parts. The science and economics of the nineteenth century cost us our sense of ultimate human values. Surely these ultimate values will be brought back to us in a more vivid and well-balanced way than ever before. Great and powerful books, I feel sure, are now unconsciously in the making in the minds of scientists and other students of human affairs.

VII: 1938

SIX FURTHER lectures, delivered in California, Louisiana and Michigan, were the most carefully wrought of Wallace's public papers during the first half of 1938. The first four were the Earl Foundation Lecturers. Edward T. Earl established the foundation in 1901 as part of the Pacific School of Religion at Berkeley, California. Earl lecturers of the past have included William Howard Taft, Theodore Roosevelt, William Allen White, George Herbert Palmer, John H. Finley, Walter Rauchenbush, Henry Van Dyke and James Bryce. Wallace's four lectures covered much the same ground as his North Carolina series of the year previous, but were less technical and wider in their range. These lectures were reproduced verbatim in a twenty-five-cent booklet by the Home Library Foundation, Washington, in 1938, under the title *Paths to Plenty*. They were revised, retitled *The Price of Freedom*, and reissued with a preface by David Cushman Coyle under the same publisher's imprint in 1940. In his preface, David Coyle remarked:

In time of fear, when men feel helpless against the flood of disaster, it is natural to cry to God, but this book is no cry of fear. Henry Wallace, man of affairs, with knowledge of corn and cattle and forests, of markets and of foreign commerce, manager of a billion-dollar enterprise, sets the living religion of America across the path of the heathen religion of the Conqueror of Europe.

This is no small thing, as unthinking people might suppose, who have not understood the world revolution that threatens our peace. Tanks and airplanes are only the spearhead, but what lies back of the power that has crushed the free peoples of the Continent? Unless we can know the secret of that power and meet it with power of our own, tanks and airplanes will not help us. The revolution is first of all a religion, an inner force that unites men, drives them forward, gives them strength to do incredible deeds, moves mountains by faith. We have seen the terrible miracles happen one by one. In this month of August, 1940, as we watch the last free country of Europe stand, perhaps only for a moment, against the conqueror's progress, we know that the outcome will not be decided by numbers of planes alone, for if that were all, the victim might as well surrender at once. There is an unseen power of courage and sacrifice and mutual help, a power long unused and corrupted by wealth and selfishness, but roused again and gaining strength. If the faith and courage of free men can match the miracle-working powers and the material advantage of the conqueror, another miracle will happen as it did in the time of

the Great Armada. Guns and faith together are weighed in the scales of history, and the spiritual is as heavy a counterweight as the material.

This is no time, therefore, to think lightly of the unseen powers that we call in vulgar language guts or morale, and that history knows as religion. We had better understand the new heathen religion that hopes to conquer the world, and we had better understand our own and cultivate it, if we hope to survive. Henry Wallace is not playing with pretty pebbles, but deals here with the matters of life and death that are to be decided soon for our civilization.

Each man must make his own idea of the religion of liberty, for it is many-sided, and one of its deepest beliefs is that all men have a right to be different. But one way of regarding this world crisis is to say that it is a crisis of the creative power of science.

During the present century, civilized men have obtained immense scientific powers, beyond those that were dreamed of by Jules Verne or the authors of the *Arabian Nights*. We all deal in magic that would have terrified our ancestors into burning us at the stake, if one of us could step back with modern powers into their simple times. But with these powers have come responsibilities, as Wallace insists again and again in this book. Our religion, our sense of duty, our relations to one another, must be expanded to cover our ability to do good and evil.

There are two kinds of these responsibilities, one that can be called the responsibility to act, and one that is purely moral, the responsibility to act decently.

On the side of action, the dictators have found the true answer to the riddle of technology, the paradox of plenty, the problem of unemployment, and all the other economic evils that have bedeviled our own country. They have established that all who belong to their clan are brothers, that all have useful work to do, that no one of the brethren is abandoned, and that all stand together against the world. This is the foundation of all religions, and what wonder that it lifted a beaten race into magnificent action? Among them money itself is an instrument of action, not a paralyzing poison. The ancient virtue of thrift, with them, has its old meaning: that their society cannot afford to waste soil or minerals or forests or men or brains. No wonder they seem to be supermen to us as we wallow in selfishness and waste our men in idleness.

Such is the new religion of the dictator, and so far as it goes, it is better, in the cold-blooded judgment of nature, than the social system of any people that have no religion but the enervating worship of money. But this is not all that religion can be, and because the religion of the revolution is only partial, the faith of free men may hope to overtop and overcome it.

There is still decency and good will, there is still the ideal of freedom, there is still the hope of a world where not only the closed brotherhood of

the Dictator's Party, but all sorts and conditions of men, may find tolerance, mutual help, and happiness. All these are left out of the ideal world of the conqueror, and if free men have not lost their ancient virtue, this lack will be the conqueror's defeat. He can overcome the weak but he cannot make his victims love him, and in the end, we still believe, God will not be mocked.

CAPITALISM, RELIGION AND DEMOCRACY

Man for man, the productivity of the workers on the farm in this country has increased at about the same rate as the productivity of the workers in town. It is only by virtue of our increased agricultural efficiency that we have been able to support such a high percentage of our people in towns and cities.

Most of the farmers who became efficient necessarily fell under the spell of the capitalistic system. They bought new machinery, enlarged their farms, used fertilizer and sold most of their production on the market. The old-fashioned farmer and the modern peasant farmer consume ninety percent of what they produce and buy only ten percent of what they consume. For such a man, farming is a way of life. He and his family stand to a considerable extent outside of the capitalistic system. He belongs to the old order. The capitalistic doctrine is as strange to him as a foreign language. No farmer in the United States is entirely outside of the commercial system, but in the eastern mountains and parts of the South there are many farmers who might be called our contemporary grandfathers, for whom farming must always be essentially a way of life, inasmuch as it is impossible for them to make an annual cash income of more than two or three hundred dollars on their present small and poor farms. The commercial farmers of the United States comprise only about fifty percent of the farm population but they supply about ninety percent of the farm products which move to market. They have a dollar income several times as great as that of the "way of life" farmers. They have better farms, their children attend better schools and they drive to church in town in their automobiles. And yet, I am not altogether sure that they are leading a spiritually richer life than the poverty-stricken "way of life" farmers in the mountains.

My mind goes to a Sunday morning in western North Carolina, fifteen miles from the nearest town in the mountains. There was an unpainted

Baptist church with no minister on that particular morning, but the people had gathered together to sing from hymnbooks printed with shaped notes. Most of these people were obviously poorly educated and poorly fed. Many of them were lacking teeth at a rather early age. According to all the standards of the capitalistic system they were failures and there was little likelihood that either they or their children would ever be otherwise. Their farms were too small and too poor. Yet poverty-stricken as these people were, they poured a wealth of emotional fervor into their religious service such as I have never seen except in Negro churches. Critical though some people may be of emotional religion, I am convinced these people have something which most wealthy people lack.

There are many "way of life" farmers all over the country who are perhaps not religious in a churchly sense. But in a great many cases, if they have not been treated too harshly by circumstances, you will find them religious toward their soil, their plants and their animals. They may be old-fashioned and unscientific, but they oftentimes have an attitude toward growing things which, in my opinion, is profoundly religious. Most commercial farmers have so many acres and so much improved machinery that they cannot come into the same intimate touch with growing things as these small farmers. When you have a hundred acres of corn and cultivate them with a two-row tractor, you cannot help having a different attitude toward the corn plant than when you have two acres of corn and hoe them by hand. When you have forty cows and milk them with a milking machine you have a different attitude toward them than when you have three and milk them by hand. The commercial farmers are coming closer and closer in their thinking to the businessmen in the towns. The "way of life" farmers are something apart, something out of the past. But also, they have their contribution to the future. They have never lost their touch with the soil, the mother of us all. They have large families, which, in spite of poor food, poor education and poor medical attention, may yet have a contribution of the most profound significance to make to the United States.

* * *

Twenty-five years ago, before the World War, one of the most challenging of all the books I read was entitled *Revolutions of Civilization*, by W. M. Flinders Petrie, the Egyptologist, who first brought to my attention in striking form the idea of spring, summer, fall and winter in civilization. After discussing many ancient civilizations, he advanced the hypothesis that the European civilization of which he claimed the American civilization to be a part, first flowered freely in sculpturing in the

thirteenth century, in painting in the fifteenth century, in literature in the seventeenth century, in music in the eighteenth century, in mechanics in the nineteenth century and in science and wealth in the twentieth century. He inferred that the wealth period was the beginning of the end, and reasoning from the Roman parallel he said, "During this time—of about four centuries—wealth—that is, the accumulated capital of facility—continues to increase. When democracy has attained full power, the majority without capital necessarily eat up the capital of the minority, and the civilization steadily decays, until the inferior population is swept away to make room for a fitter people. The consumption of all the resources of the Roman Empire, from the second century, when the democracy was dominant, until the Gothic Kingdom arose on its ruin, is the best known example in detail."*

But, for my own part, I do not think that civilizations when they mature have to commit suicide. I believe they can, by taking thought, maintain their full vigor for many hundreds of years. The United States has an enormous vitality, but is subject to violent alternations of "fever and chills."

To end these fevers and chills, some clearing agency should be devised to proportion the housing activities, the buying of railroad equipment, the building of factories and the buying of public-utility equipment more uniformly over the years. In the late twenties this nation produced an average of more than thirty billion dollars of durable goods annually. This was too much and was certain to lead to a depression later on. In the early thirties this nation produced less than twenty billion dollars' worth of durable goods annually. This was too little and resulted in stagnation which produced the utmost misery. In 1937 we produced five million automobiles, or many more than were needed for replacement purposes. Therefore, in 1938 we shall not produce nearly as many. The jerkiness in our heavy-goods industries is responsible for much of the recurring unemployment which leads to recessions in farm prices.

This is a problem which must be solved if capitalism is to survive.

The chief way of modifying the capitalism of the future will be through constructively changing the relationship of the corporation to the government and to labor. Also there is the possibility of substituting the co-operative for the corporate form of organization in those lines of activity where the co-operative form of endeavor can eventually prove to be more efficient.

In all efforts of this sort the goal should be not merely to get greater

* *Revolutions of Civilization* (London: Harper & Brothers, 1911), p. 124.

efficiency in the long run but also to bring a larger number of human beings into a feeling of intimate joyous responsibility in their work. In many cases the corporate form of organization will serve this double purpose better than the co-operative. In some cases government ownership will serve the purpose best. In other cases the purpose may best be served by breaking up overhead financial controls which stifle local initiative.

In the main the spirit in which problems of this sort should be approached is the levelheaded spirit of the Scandinavian countries where such an excellent accommodation has been worked out among enterprises which are government-owned, corporate-owned and co-operatively-owned. Our job is much different from that of the Scandinavian countries, because we deal with a continent-wide country, whereas they deal with an area the size of one of our Western states. Nevertheless, we are going to democratize and preserve our capitalism for the benefit of all the people in some such sensible constructive manner as the Scandinavian countries have demonstrated to us. We shall find ways of more nearly equalizing our power and wealth, but without using methods which will imperil the increase of our power and wealth. There is a sound middle course and it is this for which the New Deal and enlightened capitalists are searching as they develop policies of governmental expenditure, taxation and business co-operation.

The cure for the confusion which exists in both capital and labor is for capital to recognize the function of labor and labor to recognize the function of capital, and both of them in co-operation with the government to recognize that there must be a balanced relationship among prices, wages and profits as they affect farmers, workers and businessmen. In this connection, a statement taken from the Papal Encyclical, *Quadragesimo Anno*, of Pius XI, is of great interest:

"A reasonable relationship between different wages here enters into consideration. Intimately connected with this is a reasonable relationship between the prices obtained for the products of the various economic groups; agrarian, industrial, etc. Where this harmonious proportion is kept, man's various economic activities combine and unite into one single organism and become members of a common body, lending each other mutual help and service. For then only will the economic and social organism be soundly established and attain its end, when it secures for all and each those goods which the wealth and resources of nature, technical achievement, and the social organization of economic affairs can give. These goods should be sufficient to supply all needs and an honest livelihood, and to uplift men to that higher level of prosperity and culture which, provided it be used with prudence, is not only no hindrance

but is of singular help to virtue. . . . Now this is the primary duty of the State and of all good citizens, to abolish conflict between classes with divergent interests, and thus foster and promote harmony between the various ranks of society."

One fundamental difficulty with capitalism is the tendency for the machines of capitalism to produce more goods than the workers can consume. Unless the capitalists are willing to co-operate among themselves and with government to eliminate the more violent periods of overinvestment and underinvestment, there will be trouble ahead for all of us.

The days when corporations and capitalists could do pretty much what they pleased are over. From now on, more and more they will enjoy only that liberty which they have purchased by continuously and consciously exercising self-restraint on behalf of the general welfare.

Capitalism is still the faith of most modern businessmen, but since the World War, and especially since the great depression, the completeness of the faith has been shaken. This is especially true with the younger businessmen. They have been disturbed by the problems of war, unemployment, heavy taxation and the uneasiness of the farmers and workers. I believe their faith can be restored, but that it cannot and should not be restored until they have related their thinking about capitalism more consciously to the general welfare. Capitalism, with its emphasis on thrift, hard work and the development of new methods of production, has a great contribution to make to the future. But it can make such a contribution effectively only in case it relates itself more continuously and wholeheartedly to the problems of democracy and religion.

* * *

As I see it, the democratic body of faith includes the following:

1. Action based on the will of the majority after the people have had opportunity to inform themselves as to the real facts.
2. Freedom of speech, press, art, science and religion.
3. Stability, order and the avoidance of violence, bloodshed and anarchy.
4. Promotion of a stable but ascending general welfare by increasing the productivity of the people and distributing the income as evenly as possible without destroying incentive.
5. Belief in the sacredness of the individual and in the unlimited possibilities of both man and nature which can be made manifest if those who are gifted in science, art and religion approach the unknown reverentially and not under the compulsion of producing immediate results for the glorification of one man, one group, one race or one nation.

6. Joyous faith in a progressive future based on the intelligent and constructive efforts of all the people to serve the general welfare.

7. Tolerance and humor in recognizing the right of all men to be different.

Democracy is on trial today. It has been challenged in this country and in the whole world. Organized violence, disregarding legal rights, moral rights and individual rights, threatens to destroy the democratic ideal.

We Americans must not and will not let the rule of force replace the rule of law. But if we are going to succeed, our democracy must be efficient and it must have purpose. Only in this way can we preserve the chance for individual initiative at its best.

* * *

For the first time in the history of the world, we have here in the United States the possibility of combining into a truly harmonious whole all the prerequisites to the good life. We have the natural resources, the accumulated capital, the democratic traditions, the educational institutions and the agencies for instantaneous communication of ideas. Other nations may perhaps rival us in one or two of these progressive forces, but not a single nation is so universally blessed.

A democracy can last over the centuries only if it is composed of individuals who have subjected their individual selves to certain religious disciplines. When I say this I am not pleading that all the people of the United States should be Protestants or Jews or Catholics, but I am asking that Protestants, Jews, Catholics and non-church members should recognize the doctrine of the general welfare.

The original American ideal was an ideal both of the whole man and of the whole society. It had to do with money-making and politics as well as with the religion of the church. Our Pilgrim fathers felt they were being just as religious when they made shoes or hoed corn or engaged in a town meeting as when they engaged in the more formal service in God's house.

The time is now ripe for religion to stand again for the whole man. It is time for ministers to realize that every minute of every day is a religious experience. Going to church may serve to restore our spiritual storage batteries. But we may as well recognize that many people are able to restore their spiritual storage batteries in other ways. In any event, much significant work is done outside the church. The economic, political, artistic and scientific endeavors of man can be made just as significant from a spiritual point of view as the purely churchly endeavors.

Who am I to criticize a Catholic, a Jew or a Protestant for the way in which he obtains the spiritual power with which to discipline himself on

behalf of the general welfare? It is not the American way to be intolerant of any approach to God.

I wish to say, therefore, that in the capitalism, the democracy and the religion of America there can be discovered workable foundations for building here and now an enduring social mechanism for serving first the general welfare of the United States and in so doing eventually the general welfare of the whole world. The foundation has been laid here broad and deep. The time has come to form the bricks of capitalism and the mortar of democracy into a superstructure conceived according to the principles of religion in the very broadest and deepest sense of the whole man and the whole society.

In the past there has been a tendency for the forces of unity and individual liberty to be exclusive. Either one or the other tended to have the upper hand. The excesses of one in time provoked the excesses of the other. Out of the past, with its wide swings in the polarity of thought with regard to unity and liberty, there begins to emerge the concept that the real truth may be a middle path in which the best unity is conditioned on the best individualism and vice versa.

On the whole, the trend now over the entire world is away from individualism, toward a preliminary unity, based on various types of nationalism. The efforts of the autarchical states make it certain that the democracies must emphasize unity more than in the past. Even if there had been no World War and no depression, it is altogether probable that the forces of individualism let loose by the discovery of America and reinforced by the democratic capitalism of the last 150 years would have resulted by this time in a strong movement toward unity. Many of us, seeing the inevitable trend of the times and scared by thoughts of various "isms," try desperately to hold on to concepts which were appropriate only as long as population was rapidly growing and there were great frontiers to be conquered. It is right that there should be concern about the loss of certain individualistic virtues, but it is wrong that such strenuous efforts should be put forth on behalf of that type of individualism which today blocks the path of the general welfare.

We intend most strenuously to avoid being carried to the extremes of an autarchy which denies the liberty of the individual. But we are also faced with the need for educating the different individuals as to the absolute necessity of working out appropriate disciplines, whether state-imposed or self-imposed, which will enable a democracy to exist in a world such as ours. In the final analysis, the power for this job can be furnished only by men imbued with the utmost religious enthusiasm and insight, who have equipped themselves with modern economic and political facts.

Workers must learn to look beyond their objective of shorter hours and higher pay to the problem of how best to produce more goods in a balanced way for all workers and not merely for those who are organized. In like manner, farmers must look beyond their efforts to obtain parity prices to the problem of how best to balance agricultural production and agricultural income with city production, so as to bring about the greatest welfare of all in the long run. Businessmen must look beyond the problem of obtaining the maximum profits on their invested capital to the job of bringing about a stable increased outflow of goods year after year on a basis which will best serve the welfare of all.

The members of each group now recognize their higher allegiance to the general welfare. They are seeking merely for a stronger motivation and increased knowledge. Day by day, governmental and private agencies are gathering increased knowledge. Month after month, an increased number of conferences are being held to exchange knowledge between the different groups. The time is ripe right here in the United States today for a practical yet religious acceptance of the doctrine of the general welfare. Yes, the time has come to emphasize the cost of the various rights and privileges in terms of disciplines and responsibilities. [*Concluding Lecture at Pacific School of Religion, Berkeley, Calif., February 24, 1938.*]

Wallace's spring lecture to the students and faculty of the Louisiana State University at Baton Rouge, on April 8, was in no sense a cloistered exercise. Huey Long's grand new university plant, which Wallace had been asked to dedicate, was the scene of scandal and unrest at the time; and Wallace knew this as well as anyone. The student body was in low morale and inclined to be unruly. Midway in his address, when the microphone equipment went wrong, students shuffled their feet and booed. Wallace stepped clear of the sound apparatus, threw up an arm and pointed in the direction of the disturbance, demanding silence. Then, "I have come here to tell you some things you must hear and think about at this time," he said. They became quiet and heard him to the end.

A NEW WORLD, A NEW SPIRIT, A NEW GENERATION

We dedicate here today a magnificent set of new buildings. In them will be housed, I trust, a new spirit for the purpose of serving a new generation. I therefore take my text this morning from Revelations: "I saw a

new heaven and a new earth, for the first heaven and the first earth had passed away."

For all who teach the next generation this recognition is the beginning of wisdom; for we do live, very definitely, in a New World. Like all things new, this New World is growing very rapidly and it can be trained in any one of many directions. This New World can become a thing of beauty or a monstrous horror.

Seventy-three years ago the South lay prostrate after a great war. The money was gone and the fields were desolate. A terrible picture confronted the Southern soldiers when, struggling back to their homes, they started farmwork in the spring of 1865. But it was in some ways no more serious than the situation their grandchildren faced when they started farmwork in the spring of 1932.

The problem of the South is still not solved. Small farms, poor soil, poor schools, poverty—all these are too common in the Old South. With fifteen percent of the nation's income (as of 1929), the South is trying to educate about thirty-two percent of the nation's children. Every year around 100,000 young Southerners of production age move to other sections of the country. Assuming an average age of only fifteen and a cost of rearing and educating of only \$100 per year, this annual export of man and woman power by the South to the other regions would be equivalent to about \$150,000,000.

The crowding in the Southeast becomes worse in years of business depression when labor is thrown out of work in the Northern factories. The unemployed then return to their old homes in the South by the hundreds of thousands.

For a hundred years the South has been discriminated against by the tariff policy of the United States. The two leading crops, cotton and tobacco, are more largely on the foreign market than almost any other product produced in the United States. More than any other part of the United States, the South sells on a world market and buys on a protected market.

In brief, it may be said that for several generations the South has shipped people and products out and has failed to receive enough in return to replace the loss. When everything is taken into account it is probably true that the South has in effect been paying tribute to the rest of the nation to the extent of several hundred million dollars every year. I know it is customary in the North for Republicans to feel that Democratic administrations give many unjustified favors to the South. From the standpoint of abstract justice, however, I doubt if anything which we have done

during the past five years has been more than enough to offset the various disadvantages under which the South has long labored.

It is definitely to the advantage of the people in other states that the next generation of children from the small farms of the South should be healthy and well educated. In remedying past defects, I am sure the graduates from an institution like Louisiana State University will play an important part. Graduates of an agricultural college can easily take a narrow attitude with regard to matters outside of their particular field. It is largely because of this danger that I decided to come here today.

There are some things which I am in better position to say than most other people. I myself am a graduate of an agricultural college. My associations both before going to college and after leaving college have been to a rather unusual extent with agricultural-college people. I know them like a book and have the highest esteem for them. They have performed an extraordinary service during the past seventy-five years. The entire nation owes them a tremendous debt of gratitude. The four-horse team composed of the agricultural colleges, the experiment stations, the Extension Service and the Department of Agriculture has plowed many a long furrow in the big field of the public welfare.

But even more important, perhaps, than the new science in agriculture is the new democracy in agriculture. Farmers have learned to work together in community, county and state committees. Today we have a new approach and the farmers themselves are a part of it. But there are many farmers who do not yet realize their responsibility under the approach which has been developed.

When I travel about the country, people sometimes come up to me and say, "I want to thank President Roosevelt and you for what you have done for the farmers." This always disturbs me. It seems to imply an unsound relationship between farmers and government. If the farmers think that the President or the Secretary of Agriculture or the Democratic party or the government is handing out favors to them, there is the likelihood of serious trouble ahead. The government represents all the people. It could not carry on any farm program which consisted merely in handing out favors to farmers. But if the farmers are really informed and in earnest about using governmental power to solve farm problems in a way which is helpful to both agriculture and the entire nation, then I am certain that some such program as that which we now have will continue in effect indefinitely.

From time to time and especially during the next year or two we shall probably see tremendous efforts on the part of certain demagogues to create disunity among the farmers. They try to stir up trouble among the

farmers, hoping by their loud-mouthed talking to win political advancement. They never allow facts to interfere with their tongues. They are long on emotions and short on truth. In the corn belt, they will tell the farmers that the farm program is greatly increasing the corn acreage in the South. On the Pacific Coast they will claim that imports of Chinese eggs are ruining the farmers. Around the edges of the cotton and tobacco belt, where only small quantities of cotton and tobacco have hitherto been grown, and where there may be less understanding of the need for united action among all producers of these commodities, they will clamor for larger cotton and tobacco quotas. They have no interest in the general welfare of all the farmers. They are always hunting for opportunities to create strife between different groups of farmers, and never miss a chance to set producer against producer, region against region, and city men against farmers. Generally speaking, they are only interested in creating a confusion out of which they can arise as heroes or martyrs. Such people are the most dangerous enemies of the farmer.

Against these demagogues and those who stand behind them, the only weapon is education. The fog of prejudice disappears in the full light of the facts. And it is essential, therefore, that agricultural economic democracy be made the very center of any long-continuing program. In other words, the vitality of farm programs depends on the intelligent interest taken by community, county and state committeemen. It is up to these committeemen to awaken the imagination of the farmers with whom they work.

The most important thing of all—and this is where the graduates of new-model agricultural colleges really should come into their own—has to do with the training of leadership for making decisions not merely on the basis of a community or a county or a state or a region but on the basis of the welfare of the entire country.

Consider sugar, for example. You are very much interested in sugar in this part of Louisiana. The graduates of a land-grant college should be able to think clearly and fairly about the social, political and economic aspects of the national sugar problem. Let me tell you about some of the things which are not taught in any university but which have been brought out by our experience in Washington during the past five years.

First, the sugar producers of each state have a special state patriotism of their own. Second, the sugar-beet producers of the West have a different slant from the sugar-beet producers of the East. Third, the sugar-beet producers of Northern United States have a different slant from the cane producers of Louisiana and Florida. Fourth, the sugar producers of the mainland of the United States would like to discriminate against the

sugar produced in Hawaii and Puerto Rico. Fifth, the sugar producers of the mainland of the United States plus the insular possessions would like to discriminate against Cuba and the Philippines. They feel Cuban and Philippine sugar should be shut entirely out of the United States market and that the mainland producers of the United States should be given the right to produce the amount which formerly was produced by Cuba and the Philippines. Sixth, the seaboard refiners want the island sugar to come in but they want laws which in effect will compel Hawaii, Puerto Rico, Cuba and the Philippines to ship most of their sugar to the United States in the raw form rather than in the refined form. Seventh, labor to some extent plays ball with the refiners because it feels that an increase in refining in the islands would reduce employment in the seaboard refineries. Labor is also interested in the status of labor in the sugar-beet fields. Finally, there is the consumer to be thought of. If the warring interests of all these other groups can be composed in order to bring chaos out of a long-suffering industry, we must make sure that the peace and harmony among the producers is not obtained by continually increasing the expense to the consumer.

There are several ways of solving a complicated problem of this sort. One is to respond to the most insistent pressure groups and thus let confusion become worse confounded. Another is to play old-fashioned log-rolling or balance-of-power politics. But the only sound method in the long run is to discover some formula for the general welfare as it can be made to work out in terms of these conflicting sugar forces.

Many efforts will be made by various interested parties to upset this sugar legislation conceived for the general welfare. Florida will say, "We need a bigger quota." Louisiana will say, "We need a bigger quota." Each group will try to get together arguments to prove that it is right. If the contention is carried far enough there will be a return to the old-fashioned sugar chaos. If an effort is made to remedy the situation by increasing tariffs, the result will be to favor Puerto Rico and Hawaii at the expense of the mainland, and at the same time there may be an upset in Cuba of the type to imperil our Latin-American relationships. Throughout the long years ahead I believe the people of the United States will find their best protection against trouble-making dictators to lie in the field of cultivating friendship with the Americas. It is vital to the peace of us and our children that the Americas turn a stony face to the European dictators who are intent on destroying democracy.

The spirit of American democracy, it seems to me, has long been sleeping. The depression beginning in 1930 partially woke it up, but the full awakening has come only with the stirring events overseas during the

past year. We know now that there are nations which despise democracy and which look with longing eyes toward this hemisphere. We know that these nations are conducting propaganda in this hemisphere and even in this nation. We know that they do not scruple to buy newspapers outside of their own land and that they use many devices to create dissension and discord. These nations look with envious eyes at the thinly populated Americas. They covet the trade of the Americas and do not scruple to use methods which we in the United States have not hitherto cared to use.

And now as we stand challenged we see there is much of waste and laziness, inefficiency, greed and shortsightedness in our democracy. We are challenged to free our democracy from anarchy and inefficiency. Too long have we allowed ourselves to be divided into squabbling groups and regions. We do not need to give up freedom of the press, freedom of speech, freedom of science, freedom of art or freedom of religion in order to discover in a democracy a community of purpose.

The people who run the administrative systems of modern democracy must be imbued with a new spirit, the spirit which I trust will be taught not merely by word of mouth in university lectures, but by the contagion of fiery faith.

AN APPROACH TO EUGENICS

. . . I have dwelt at length with the contributions that Indian corn has made to American agriculture, and to our theoretical and experimental knowledge of fundamental principles of heredity. Does our knowledge about corn have any larger message at this time, when a world is being remade before our eyes?

It is easy—and very hazardous—to deduce general principles from our observation of other organisms and to attempt to find analogies in human affairs. The history of corn and its development could easily be worked over into such a sociological bedtime story, which would have very little meaning. Nevertheless, there are a few principles which may throw light on certain aspects of human affairs without straining our analogy to the breaking point.

Perhaps the clearest conclusion to emerge concerns that school of eugenic thought which hopes to bring about the millennium by sterilizations of deficient and defective. The failure of Dr. T. A. Kiesselbach's attempt to improve Hogue yellow dent corn by detasseling the sterile, the smutted and otherwise defected plants convinces me that it is impossible

to bring about genetic improvement of the human race merely through a sterilization program. What we know about the number of generations necessary to produce homozygosity in corn, and the rigorous technique necessary to utilize the principle of controlled heterosis in crossed corn production, renders it most unlikely that human society will countenance the rigid control necessary to utilize directly an effective program of genetic improvement that could be relied upon to change the inborn nature of mankind in any reasonably near future.

These negative conclusions are as far as we can go in reasoning directly from corn to man. Something may be said of a more general nature. Corn growing is not pure genetics. The variety of corn we attempt to breed is adapted to a certain definite environment. There is no one variety of corn that is equally good all over the United States. Either consciously or unconsciously we must accept a certain environment as part of our breeding program. We must make the best of that environment if we are to get a maximum crop. It would be the height of folly to spend years in developing a superior variety of corn, and then to give no thought to culture—preparing and fertilizing the seedbed, and cultivating against weeds. This adaptation to environment, and the need to control environment so far as possible to insure a crop, has clear implication in human affairs, where these same basic truths apply. The development of a high human culture is further complicated by an added dimension which does not concern us when we develop a superior variety of corn and carry it through to the harvest. With corn the problem of the breeder and grower is relatively simple, and the goal quite definite. The farmer has only such definite imponderables as the weather, insect pests, fluctuation in prices, labor difficulties, and the health of himself and his family to consider in bringing a crop to maturity.

The hardy soul who undertakes to direct human evolution must go beyond this and consider not only the genetic make-up of the human race and the environment in which this genetic background is expressed, but he must also give thought to the kind of environment in which the human spirit comes to its best fruition. It is very clear to anyone who has studied and tried to think philosophically about man that a eugenics program to have any significance whatever must be much more than merely applied human genetics. When we consider the almost insuperable difficulties placed in the way of the cattle breeder by such esthetic hurdles as color and indefinite points of conformation, we realize at once that the salvation of the human race cannot come through human genetics applied by a dictator. Our problem is further complicated by the fact that while the breeder has a fairly definite ideal in mind toward which he can select,

by the very nature of the case no such simple program will do for man, where our need is for diversity rather than uniformity.

It is impossible to follow the thought very far at this time, but I cannot close without saying what seems to me to be an inevitable conclusion from the premises: with the tremendously complicated background of civilization, with its varied physical, social and spiritual environments, it would seem utterly foolish to expect any program of human breeding directed by a dictator to have any value. Even though we grant that by decree we might breed for superior genes, even though we concede that physical environment might be improved in such a program, nevertheless is there any possibility that a fine human culture could flower under an authoritarian system? In a high culture a great variety of types and abilities are necessary. We know very little about how such abilities are inherited, or what environment best suits their development. We know that on the mental or spiritual plane, freedom of inquiry and opinion and a definite sense of the dignity of the individual seem to be essential.

It is definitely a false eugenic idea to work toward some standardized preconception of the perfect man, such as the "Aryan Race" of the Nazi mythology. No race has a monopoly on desirable genes and there are geniuses in every race. The fact that the dictator type of mind must inevitably oversimplify its problems, and attempt practical solutions, based on such false premises, can only mean that eugenic progress under a dictatorship will fail in the long run. Man does not live by bread alone, nor by genes alone. Without denying the importance of either, the third priceless intangible (hinted at by the founders of our country in such terms as life, liberty, pursuit of happiness, and the right to worship according to the dictates of one's conscience) is just as real a part of the environment of the civilized man as the physical world in which he lives.

To me, therefore, the democratic ideal, which recognizes the individual as having certain inalienable rights and virtues, seems to offer the only environment in which the type of personality which makes us human beings can flower to maximum development. Only with such a background can we judge genetic and developmental differences which must characterize men and women under a highly specialized civilization. No board of experts can tell a dictator how to breed a genius, nor indicate what kind of children our genius would have—if any. Were this possible, we feel sure that a "genius-breeding" program by decree (even a decree buttressed by 99.75% of the "electorate") could offer only the kind of environment from which the best inheritance would bear bitter fruit. If the eugenic outlook in democracies is today as bad as some eugenists feel, the solution lies not in an appeal to dictatorship but in the development

of a kind of social environment in which superior individuals feel that life has values and possibilities which it is a privilege to pass on to one's children. This means developing a sense of responsibility and a faith in the future on the part of all our reasonable, capable people. Such an ideal is infinitely more difficult than the false hope of eugenics through dictatorship, but there may be no other solution.

When we consider these few facts bearing on the complicated question of human heredity and environment, it seems clear that the hope of our race lies not in following self-appointed prophets who play on our fears and prejudices but in working toward a culture in which normal people will have the greatest opportunity for developing and leading happy and useful lives. Such a program cannot ignore the knowledge we have gained by genetic research in corn and other organisms. Neither can it go far unless those who undertake to carry it out retain the reality of outlook and the humility of approach which the plant breeder, if he is to succeed, must have. We cannot legislate new varieties of corn or a better race of men. We must appeal to nature and we must apply the best fruits of the human mind and heart if we are to build that better world which is the dream not only of the eugenist but of all pioneers of the human spirit.

[*April 21, 1938.*]

VIII: 1939

THE GENETIC BASIS OF DEMOCRACY

I WANT to pay tribute to Dr. Franz Boas. As chairman of the Lincoln's Birthday Committee for Democracy and Intellectual Freedom his leadership has done much to marshal the moral forces of science and to bring us together for this Lincoln's Birthday meeting of scientists in New York City today.

The cause of liberty and the cause of true science must always be one and the same. For science cannot flourish except in an atmosphere of freedom, and freedom cannot survive unless there is an honest facing of

facts. The immediate reason for this meeting is the profound shock you have had, and the deep feeling of protest that stirs in you, as you think of the treatment some of your fellow scientists are receiving in other countries. Men who have made great contributions to human knowledge and culture have been deprived of their positions and their homes, put into concentration camps, driven out of their native lands. Their lifework has been reviled.

In those same countries, other men, who call themselves scientists, have been willing to play the game of the dictators by twisting science into a mumbo-jumbo of dangerous nonsense. These men are furnishing pseudo-scientific support for the exaltation of one race and one nation as conquerors.

These things run counter to your whole tradition as scientists. You are not only amazed and shocked and moved to protest against the fate of your fellow scientists abroad. You shudder with the realization that these things have happened in scientifically advanced countries in the modern world—and that they might happen here.

Claims to racial superiority are not new in the world. Even in such a democratic country as ours, there are some who would claim that the American people are superior to all others. But never before in the world's history has such a conscious and systematic effort been made to inculcate the youth of a nation with ideas of racial superiority as are being made in Germany today.

Just what are these ideas? Let me quote from a translation of the *Official Handbook for the Schooling of the Hitler Youth*, the organization which includes some seventy percent of all the boys and girls in Germany of eligible age.

The handbook discusses the various races found in Germany and other parts of Europe. Concerning what it calls the Nordic race, it says: "Now what distinguishes the Nordic race from all others? It is uncommonly gifted mentally. It is outstanding for truth and energy. Nordic men for the most part possess, even in regard to themselves, a great power of judgment. They incline to be taciturn and cautious. They feel instantly that too loud talking is undignified. They are persistent and stick to a purpose when once they have set themselves to it. Their energy is displayed not only in warfare but also in technology and in scientific research. They are predisposed to leadership by nature."

But here is what the handbook says concerning what it calls the "Western race," found principally in England and France: "Compared to the Nordic race there are great differences in soul-qualities. The men of the Western race are . . . loquacious. In comparison with the Nordic . . .

men they have much less patience. They act more by feeling than by reason. . . . They are excitable, even passionate. The Western race with all its mental excitability lacks creative power. This race has produced only a few outstanding men."

Thus the dictatorial regime in Germany, masquerading its propaganda in pseudo-scientific terms, is teaching the German boys and girls to believe that their race and their nation are superior to all others, and by implication that that nation and that race have a right to dominate all others.

That is the claim. What ground does it have in scientific fact?

We must remember that down through the ages one of the most popular political devices has been to blame economic and other troubles on some minority group. But no one can claim with scientific certainty superiority for any race or nation so far as its inborn genetic characteristics are concerned. Indeed, no nation in Europe is a greater mixture of tribes and breeds than the Germans. This is of course nothing against them, but it makes absurd the claims of superior stock. The word Aryan as used by scientists and not by dictators means the people of the Caucasian race who speak one or another of the Indo-European languages. (Anyone can look it up in his dictionary.) Jews are of course Aryans, so are Hindus, so are Germans and French and English and most Americans. The dictators' misuse of the word Aryan is pure scientific faking.

Two thousand years ago there was nothing about the ancestors of the modern English or Germans to indicate either scientific, artistic, inventive or philosophic ability. Neither their traditions nor their economic opportunities permitted development along these lines. No scientist can say to-day with any certainty that many of the so-called backward races and nations do not have inborn genetic capacity which might flower unusually in the sciences, the arts or philosophy, provided only economic conditions and social institutions permitted.

When I was a small boy, George Carver, a Negro who is now a chemist at Tuskegee Institute, was a good friend of my father's at the Iowa State College. Carver at that time was specializing in botany, and he would take me along on some of his botanizing trips. It was he who first introduced me to the mysteries of botany and plant fertilization. Later on I was to have an intimate acquaintance with plants myself, because I spent a good many years breeding corn. Perhaps that was partly because this scientist, who belonged to another race, had deepened my appreciation of plants in a way I could never forget.

Carver was born in slavery, and to this day he does not definitely know his own age. In his work as a chemist in the South, he correctly sensed

the coming interest in the industrial use of the products of the farm—a field of research which our government is now pushing. I mention Carver simply because he is one example of a truth of which we who meet here today are deeply convinced. Superior ability is not the exclusive possession of any one race or any one class. It may arise anywhere, provided men are given the right opportunities.

It is the fashion in certain quarters to sneer at those so-called “poor whites,” who suffer from poor education and bad diet, and who live in tumble-down cabins without mattresses. And yet I wonder if any scientist would care to claim that 100,000 children taken at birth from these families would rank any lower in inborn ability than 100,000 children taken at birth from the wealthiest one percent of the parents of the United States. If both groups were given the same food, housing, education and cultural traditions, would they not turn out to have about equal mental and moral traits on the average? If 100,000 German babies were raised under the same conditions as 100,000 Hindu babies or 100,000 Jewish babies, would there be any particular difference? No such experiments have been made or are likely to be made and so no absolutely scientific answer can be given. But when I raise such a question, I mean to imply that every race, every nation, and people from every economic group of society are a great genetic mixture. There is far greater variability among the heredity of individuals within the groups than among the groups. There may be a certain amount of stability of type with regard to skin and eyes and hair, but with regard to mental and emotional characteristics there is very little evidence of genetic uniformity for any race or nation. There may be a great deal of uniformity with respect to traditions but not with respect to complex hereditary characters.

In all of this I do not mean to say that heredity does not work with human beings just as truly as it does with plants and animals. Nor do I mean to deny that a master breeder living for a thousand years might do extraordinary things in the way of fixing human types of unusual longevity, resistance to disease, musical ability or any one of a number of characteristics. A master breeder who had a dictator's control for several generations might be able to fix a standard blue-eyed, longheaded, fair-haired type of the most approved Nordic specifications. But from our studies in livestock breeding we know that the more complex characteristics are usually altogether separate from such superficial characteristics as skin, hair, or eye color. The color of a cow's hair, for instance, has nothing to do with her ability to produce milk, and there is no reason to think that the color of a man's hair has anything to do with his ability to produce ideas. And so it is quite possible that the master breeder, being

concerned primarily with physical appearance, would find he had produced a group of blond morons—useful to him mainly as a superior type of cannon fodder.

On the whole, it seems probable that nowhere in the world in the next couple of centuries will a genuinely scientific attempt, in the sense understood by the plant or animal breeder, be made to breed for superior types of human beings. The different races and nations will continue to be conglomerates with a vast variability of mental and emotional qualities and the other abilities which make for leadership and genius.

Under what conditions will the scientist deny the truth and pervert his science to serve the slogans of tyranny? Under what conditions are great numbers of men willing to surrender all hope of individual freedom and become ciphers of the State? How can these conditions be prevented from occurring in our country?

Seeking to answer all such questions honestly, we shall inevitably come upon certain truths that are not flattering to us. We shall find in our own country some of the conditions that have made possible what we see abroad. It is not enough simply to hope that these conditions will not reach such extremes here as they have in some other countries. We must see to it that they do not. When a political system fails to give large numbers of men the freedom it has promised, then they are willing to hand over their destiny to another political system. When the existing machinery of peace fails to give them any hope of national prosperity or national dignity, they are ready to try the hazard of war. When education fails to teach them the true nature of things, they will believe fantastic tales of devils and magic. When their normal life fails to give them anything but monotony and drabness, they are easily led to express themselves in unhealthy or cruel ways, as by mob violence. And when science fails to furnish effective leadership, men will exalt demagogues, and science will have to bow down to them or keep silent.

The ironic fact is that the economic maladjustments of the present day which threaten our democracy and the freedom of science are in large part due to the changes wrought by science. In a democracy, every individual according to his station in life and according to his capacity should have opportunity for joyous service of the general welfare. Scientists, by their discoveries and inventions—which in countless ways have enriched our lives—have at the same time, without intending to do so, helped to break down this kind of democracy. Quite without intention, they have helped to replace it with an industrial system in which a small number of individuals make the decisions and the great majority have no feeling that they are taking part according to their capacity on equal terms in a

common enterprise. Quite without intention they have helped to build an industrial system in which the security of an earlier day has been replaced with the hazard of unemployment. During 1931 and 1932, many scientists, accustomed to working quietly in their laboratories and with little thought for their own economic security, suddenly found their salaries cut in half or their jobs completely gone. Yes, scientists now know that in their own self-defense their methods, in the deepest and most spiritual sense, must eventually serve the general welfare in the economic and social world.

Today, on the 130th anniversary of the birth of Abraham Lincoln, it is especially encouraging that science is facing the facts concerning the long-run effects of its own past achievements. It is encouraging that science at last is working actively for economic security and is coming actively to the defense of "government of the people, by the people, for the people."

Democracy—and that term includes free science—must apply itself to meeting the *material* need of men for work, for income, for goods, for health, for security, and to meeting their *spiritual* need for dignity, for knowledge, for self-expression, for adventure and for reverence. *And it must succeed.* The danger that it will be overthrown in favor of some other system is in direct proportion to its failure to meet these needs. We may talk all we like about the beauties of democracy, the ideals of democracy, the rightness of democracy. In the long run, democracy or any other political system will be measured by its deeds, not its words.

The survival and the strength of American democracy are proof that it has succeeded by its deeds thus far. But we all know it contains the seeds of failure. I for one will not be confident of the continued survival of American democracy if millions of unskilled workers and their families are condemned to be relievers all their lives, with no place in our industrial system. I will not be confident of the survival of democracy if economic crises every few years continue to put fear into the hearts of millions of skilled and professional workers. I will not be confident of the survival of democracy if half our people must continue to be below the line of decent nutrition, while only one-tenth succeed in reaching really good nutritional standards. I will not be confident of the survival of democracy if most of our children, which means most of our future citizens, continue to be reared in surroundings where poverty is highest and education is lowest.

These are the conditions that made possible what we are now witnessing in certain large areas of the world. They are the seeds of danger to democracy. Given a healthy, vigorous, educated people, dignified by work, sharing the resources of a rich country, and sure that their political

and economic system is amply meeting their needs—given this, I think we can laugh at any threat to American democracy. But democracy must continue to deliver the goods.

Let us dedicate ourselves anew to the belief that there are extraordinary possibilities in both man and nature which have not yet been realized, and which can be made manifest only if the individualistic yet co-operative genius of democratic institutions is preserved. Let us dedicate ourselves anew to making it possible for those who are gifted in art, science and religion to approach the unknown with true reverence, and not under the compulsion of producing immediate results for the glorification of one man, one group, one race or one nation. [*February 12, 1939.*]

In this, the last full year that Wallace served as Secretary of Agriculture, the situation as to agricultural supplies and the administrative problems of Triple-A had come through further trials and changes. The drought of 1936, contributing to price rises in 1937, brought on further consumer buying "strikes" and agitation; and the generally good growing weather of 1937 led to lower prices to farmers and threat of renewed surplus stocks, unmarketable at a price that would keep farmers buying industrial goods and the amenities of American civilization in 1939. Now, in 1939, with prospect of a more active participation in the war impending, the Secretary of Agriculture and his aides found it necessary to issue statement after statement decrying panic buying and food hoarding. From the first Wallace had insisted that agricultural adjustment measures must be so adjustable as to spur production, not retard it. As far back as 1934 he had felt and almost had said (see pp. 82ff.) that American participation in another World War was probable, if not inevitable. He had no fear of accumulating "surplus" food and fabric now. He was virtually certain that the utmost product of our land would be needed; also, he foresaw, as to products such as rubber, not native to our land or clime, crucial shortages; and the Department of Agriculture at his urging had been pushing exploration of rubber sources for four years. He had been studying Spanish since 1936, and could now speak the language well enough to be understood in speeches and in conversation. During the closing phases of his work as Secretary of Agriculture, he placed all possible emphasis on good-neighborly relations with Pan America, on the extension of the ever-normal-granary principle internationally, and on the continuing need of honest conservation (wise use, not heedless wreckage of the country's basic resources) in time of war.

Appearing on April 13, 1939, before the Agricultural Appropriations of the Senate, Wallace said:

As Secretary of Agriculture, I have been interested for some months in working out a practical plan whereby the United States might exchange certain agricultural raw materials with other countries for reserves outside of current commerce and as part of our national defense program. Products such as cotton and wheat, the surpluses of which are a weakness to

our domestic economy, might profitably be traded for other products, such as rubber and tin, which would be a strength to our domestic economy if held as reserves against the contingency of foreign supplies being cut off. Conversations have been held with the State Department and other agencies that would be involved. Senator Byrnes has given a most statesman-like presentation of our objectives along these lines, and the President has stressed the urgency of actually effecting such transfers as soon as possible.

This led to a trade, conducted by the Commodity Credit Corporation, U.S.D.A., whereby the United States exchanged 600,000 bales of cotton for 90,000 tons of rubber—enough to make 18,000,000 tires; and this rubber was added to the nation's stockpile.

PAN AMERICA

The events of Europe and Asia have waked us up. We are challenged to build here on this hemisphere a new culture which is neither Latin American nor North American but genuinely inter-American. Undoubtedly it is possible to build up an inter-American consciousness and an inter-American culture which will transcend both its Anglo-Saxon and its Iberian origins. As long as we were looking across the Atlantic Ocean, this was not possible, but now that we are looking north and south, everything is possible. How can this be done?

We can teach Spanish, Portuguese, Latin American history and Latin American culture much more extensively in our high schools and colleges. We can give some insight into Latin American law. There can be an exchange of radio programs in the appropriate language on the long wave lengths in each country. American books translated into Portuguese and Spanish should be more readily available in Latin America, and vice versa. There should be frequent interchanges of art exhibits among the leading cities of the Americas.

Some day there will be a genuine inter-American university. To this university will come postgraduate students from both North and South America. This university, if it is inspired by the right president and professors, can serve as the cradle of the soul of the Pan America that is to be. Here the Pan-American leadership for the next generation will be able to find its inspiration. Here future statesmen can form friendships while they are in their twenties.

One of the greatest of all culture-spreading institutions is the highway. The Pan-American Highway, to connect North America with its southern neighbors, has now reached a point about sixty-five miles south of Mexico

City. About one-quarter of the distance between Mexico City and Panama has been made passable for automobiles in all weather. We should complete the Pan-American Highway as rapidly as possible.

In the long run, however, there can be no genuinely abiding sense of cultural unity unless there is a firm basis of economic reciprocity. Ships carrying cargoes of goods must move back and forth between the two continents. Businessmen must increase their travels by ship or plane.

There are a number of products, for which we are now dependent on the Old World, that Latin America could grow. The best example is rubber. Although the rubber plant is a native of the New World, we import nearly a billion pounds of rubber each year from the East Indies. In case of a world war our lack of this product is likely to be our Achilles' heel. It is the greatest obstacle to our having a self-sustaining hemisphere.

It would seem wise for the Americas to begin to plan at once for the gradual assertion of independence as to rubber. It will be a slow job because in Latin America they have what is known as the South American leaf-spot disease, which is absent in the rubber-growing sections of the East Indies (there are, of course, rubber diseases in the East Indies equally bad). But by using scientific methods it will undoubtedly be possible to develop in Latin America strains of rubber plants which are both high yielding and disease-resisting. This will require the utmost co-operation between Latin-American people and resources and North American science and capital; but the job can and will be done within a few years after the will to do it definitely appears.

Abaca or Manila hemp is another plant, noncompetitive with our agriculture, which can be cultivated to good advantage in Central and South America.

Another product from across the Pacific which can easily be produced in tropical America is quinine from cinchona.

Science, capital and management, if fostered by sympathetic governments, can make tropical Latin America into a significant new frontier and at the same time enable the New World gradually to break its dependence on the Old World for many materials.

If in the future we think in terms of science, of management, of cultural understanding and of the nature of the entire hemisphere, our relations with Latin America may well prove to be of the utmost significance for our children and our grandchildren. If we in the United States do as much toward learning Spanish and understanding Latin American culture as the Latin Americans are doing today toward learning English and

understanding North American culture, I have no fear as to the triumph of peace and democracy in this hemisphere for many centuries to come.

[*Article in The New York Times Magazine, July 9, 1939.*]

In advocating Pan-Americanism as a dominant feature in our national policy for the future, I do not wish to obscure the fact that an Old World upset by Communism, Fascism, and Nazism is bound to have the most serious repercussions on all of the Americas, the United States included. The most ardent Pan-Americans cannot realistically advocate complete isolation from Europe. The Europeans are our own flesh and blood. While we completely abhor their totalitarian and imperialistic systems, we know that the day will inevitably come when these systems will bring the utter misery which is inherent in them. Then it will be up to us in the New World, in a sensible, practical fashion and not in a premature idealistic way, to help them out of their trouble.

In all safe ways we shall at all times stand ready, in conformity with our American principles, to furnish leadership looking toward international peace and international trade among the peoples of the Old World.

As an ultimate ideal, the bulk of the American people will always respond to Woodrow Wilson's dream of a League of Nations, and to the vision of the prophets of Isaiah and Micah of a universal, charitable peace. Our strength is today not equal to the task of composing the differences which exist in Europe and Asia. Our task, in co-operation with the twenty Latin American republics, is to do a first-class job of laying a foundation for democracy on this hemisphere—for the kind of democracy that will conserve our soil and people for thousands of years to come.

We shall hope for the day when the Old World is no longer preparing for its wars and fighting its wars. We shall hope for the day when the New World can help put an end to war. For the New World is determined to live and act for peace.

[*Before the Commonwealth Club of San Francisco, October 27, 1939.*]

SOIL DEFENSE

Today the nations of Asia and Europe and their possessions, comprising almost one billion people, are in a campaign of wholesale destruction. If this destruction continues, these nations are doomed to leave their lands prostrate in material and human resources. It is now vital that *our* great nation begin a vast and healing program of conservation for our-

selves which may later also give war-exhausted peoples an incentive to start anew on civilization's upward path.

On its lands and natural resources a nation will rise or fall. Our nation has come to a stage where conservation of our basic wealth is vital. Upon the conservation of what we have today our civilization *may* project itself into the future with continued progress in democracy and high standards of living.

We must watch out lest conservation of our physical resources be pushed with full regard for the loss of dollars flowing off and down our streams, but with no primary regard for wasted humanity. It is selfishness that has destroyed our natural resources, and to plead for conservation merely to stop the loss of dollars is to appeal to the same selfishness that wrought the destruction.

It is only when human beings become the primary objective that conservation becomes the highest national virtue. Conservation can never become our master plan except as a nation's restitution for a great wrong done—not to land, but to people.

Society must move to mend and restore what society has maimed or wounded. Man *can* develop a harmonious relationship between himself and the world of hard physical fact. He *can* recognize the realities he is up against, and nevertheless rise superior to them. If we Americans cared even half as much for the mechanics by which soils are laid down and life is supported as for the mechanics of automotive transportation, we could soon utilize our continent safely and transform it into the garden spot of the world. [*To the Association of Land-Grant Colleges and Universities, Washington, D. C., November 17, 1939.*]

IX: 1940

WITH A CAMPAIGN for the unprecedented third term impending, Wallace was the first of Mr. Roosevelt's official family to speak for the President's reelection. At a Jackson Day dinner in Des Moines on January 8, "I hope the nominee in 1940 will be President Roosevelt," he said. The White House issued a mild reprimand. Wallace grinned and did not apologize. The opinion, so generally held, that Wallace lacks political acumen derives, it may well be argued, more from the abruptness of his pronouncements than from their

timing and substance. He is not given to the double-talk of conventional politics, but what he has to say often proves politic.

His pre-convention speeches were mild-mannered; and if ever a campaign book could be called nonpartisan, *The American Choice*, a collection of his 1940 papers and speeches, together with further reflections on the world situation and prospect, at least approached that ideal.

THE HARD CHOICE

There has continually flamed in the hearts of Americans the belief that this continent is different. On this new soil, we have thought, mankind would escape from the compulsions, the suspicions and the greeds of the Old World.

This simple faith may seem rather childlike in this time of anguish, with so much of the civilized world at war again, sick at heart and weary. Even so, our belief remains. We believe that in this New World we will build an even newer world, in which there shall be comfort and security, and freedom and dignity for all. We believe that we are destined to create on this newer soil a higher standard of human freedom and a wider distribution of wealth and happiness.

It is a real faith, wherever you find it. Here in our states, among the twenty republics of America, and in the Dominion of Canada, the American faith is real. If our faith can be made to work here, and probably then more widely, it will remain a real hope in the world's future.

But we are not going to be able to dream our way into that future, or to go on taking our freedom in the easy ways. We are going to have to make hard choices and to stick to them. If we are to stand free and grow in the ways of freedom we must with open eyes make immediate sacrifices to a far end.

The immediate test is this: We shall probably have to turn down some business, already temptingly proffered. We must decide whether or not to do business, on their terms and in their way, with the totalitarian tyrant states, notably with Germany. My own view is that we must refuse to do this. We must at any sacrifice build up not only an armed defense, but an economic defense, both internal and in some part hemispheric, until we are strong enough, both economically and militarily, to do business with Germany and its subject states, and to do that business in a way that will be safe for us.

My first purpose is to examine and to oppose the blindly trustful and opportunistic view which Old Guard businessmen, economists and states-

men begin to advance, somewhat guardedly, as "practical" and "reasonable." The Germans, they say, seem to be the top dogs in Europe at present; and maybe they aren't such bad fellows after all. They want to do business. We have the goods. Why not?

From the standpoint of genetics the Germans are naturally neither better fellows nor worse fellows than other peoples. They are by nature neither fiends nor supermen. But the Germans are now under the all but complete command of a cunning fanatic who at once enslaves and exalts them by appearing to transform "racial" defeat and humiliation into demoniac exhibitions of superior blood-shedding, power and might.

Hitler and his Nazis have definite designs against this hemisphere, North and South. Their tactics, here as in Europe, are to divide and conquer. By propaganda, by bartering agreements—above all, by a completely centralized and arbitrary bargaining power—Hitler hopes, here as in Europe, to divide and conquer. The Nazis hope to set us against each other, here in the New World, nation against nation, race against race, special interest against special interest, class against class. And out of the confusion thus created they hope rather quickly to build economic, political and military power that will overwhelm and rule us, here in the New World.

The *New York Herald Tribune* recently did a magnificent job of reporting in some detail the commercial spying and dickering of one Dr. Gerhardt A. Westrick, a Nazi agent, working out from New York. The exposure has led this agent to leave the country. But there are many others.

I want in the plainest words to say that freedom is over in this country if we let these commercial travelers who are here to sell us Nazism get their foot in our door. They want to trade with us after the war. But they mean to have things their way. At a press conference last August Walther Funk, Hitler's Minister of Economic Affairs, talked to United States foreign correspondents and stated rather bluntly Germany's terms of trade.

"The United States," said Funk, "must give up the idea of forcing its economic conditions on Germany and Europe. . . . To what extent we conduct trade with the United States depends entirely upon Americans themselves. . . .

"When you play marbles and one fellow wins all the marbles, the game ends. You must then think of some new game. When all the gold is in the United States and it doesn't come out again, the world must think of some other medium of exchange."

Actually, this was a bid for some of our twenty and one-half-billion-dollar store of gold—around three-quarters of all the gold in the world.

They will want that gold, or enough at least to settle international balances, Dr. Funk admitted, when pressed. A shrewd horse trader always depreciates the worth of the horse he has in mind. "Blood above gold" is a Nazi slogan; and Funk went on to say that world economy would henceforth be dominated by the Reichsmark, the value of which is "assigned by the State." This was a bid for us to devalue the dollar price of gold. It was a threat to press upon us from Berlin dictation of currency values in this country.

The news magazine, *Time*, of August 5, 1940, reporting this, observes, "If Dr. Funk could really peg all European currencies to a Reichsmark 'work dollar,' he could fix the value of labor in all countries that had to trade with him, [and] would have perfected a streamlined form of international slavery." That is true; and I regard the immediate probability of such tactics (unless we understand what is going on and unitedly rise against it) as more threatening to our freedom than the concrete threat of cruder sabotage in our factories, or the blowing up of munitions dumps. A certain amount of such crude blasting-from-within went on during the First World War. A subtler and far more serious disruption is now proposed, and we must not let them get away with it.

A number of people in this country have business investments in Germany, or entertain prospects of making themselves a lot of money by trading there after the war. I do not suppose that if you add them all up, these Americans would amount to more than one in a million of our total population. But many of them are powerful people, financially speaking, and they are both anxious and determined to do business with German Europe at any cost.

We grew up during the First World War from a struggling debtor nation and took our place as a great creditor in world affairs. We became in a few swift years the greatest creditor nation on earth. But we kept on acting like a headstrong child in the family of nations. In the course of his admonishments to our press correspondents in August, 1940, Reich Minister Funk threw that fact up to us, and I am bound to say that this part of his statement was true:

"The United States . . . must abandon the wrong method of wanting to be at the same time the greatest creditor nation and the greatest export country."

That was true in 1919. It is true today. But most of our Old Guard business and political leaders went right on, and go right on, thinking, talking and acting as if nothing in this world has changed. In 1922 and again in 1930 we reared around our borders the highest, stiffest tariff wall ever erected or even seriously considered in our history. When other na-

tions quite naturally retaliated by raising barriers of their own, by turning their trade elsewhere, and by hastening programs of economic self-containment, our Old Guard leaders were only for a little while dismayed. Panting after "normalcy" and business at any price, yet sharply up against the fact that you have to have an open safety valve of random exports in order to keep on going under an almost entirely unplanned and ungoverned economy, the Old Guard dodged the dilemma by continuing to think or pretend that nothing had changed. We then set out on a program of make-believe sales of our export surpluses. We would not consent to accept anything like an equivalent return of goods from our foreign customers. Our sales abroad became, of necessity, mainly paper sales. We took their notes and piled them up and kept piling goods and credits abroad. We went right on expanding production in industry and in agriculture. It was a curious sort of commercial appeasement, madly optimistic, entirely unrealistic; and it almost wrecked this country when the paper went bad.

Today, many among the Old Guardsmen stand ready to appease Hitler. They are eager to stir up a fateful new show of booming business at any price again. In the United States as well as in the other Americas we find many businessmen who for temporary personal gain want an early peace between England and Germany and who are strong for economic appeasement between the Americas and a German-controlled Europe.

I want to make plain here my complete belief that if such businessmen are permitted to pursue their old game, seeking short-term advantage by means of compromise after compromise, they will lay us open to enslavement, and will themselves inevitably disappear in the process.

Against Hitler's total warfare we must quickly oppose a total defense. This will involve sacrifices, not only in terms of higher taxes and conscription, but in the exactions and restraints of an economy that almost certainly must, for a while at least, become more nearly self-contained and more closely subject to self-imposed controls. The pain will be actual if we give up the easy business, if we pass up the poisoned olive branch which German Europe is going to offer us. But if we really believe all we have said and done about the rights of man, and freedom and personal honor in this New World, I can see no other safe or decent course.

In closing, I want to show that to appease Hitler by trading with him as he wants us to—would prove the hardest choice, the suicidal choice, in the end. But I must also plainly show that not to trade with Hitler and his puppets, not at least until such time as we have developed hemispheric arms of defense, both economic and military, may require of us stricter

internal adjustments and a higher degree of centralized governmental control than we have ever contemplated in our past.

We must realize in a perfectly dispassionate way that the German war machine at the present time must be psychologically very strong. The strength is derived only superficially from Hitler. It has its roots in several generations of systematic imperial Prussian military indoctrination. More recently the German strength is derived from a tremendous concentration of industrial power first in huge cartels, and later under Schacht and Hitler. This situation is probably temporary (perhaps one year—perhaps thirty) and the outstanding question is: What will happen to the rest of the world when and if Germany smashes? Also there is the question of how far the other nations will have to go in imposing economic controls during the period while imperialistic Nazi Germany continues to spread the system now in effect.

This is a fight to make sure that the last home of freedom is made safe for our children. Whether we are forced into active military defense or not, it is a fight that is bound to involve sacrifice and pain. There are no easy ways out. But there are ways that may look easy; and already the easiest ways are being persuasively presented and urged. We who reject these ways as ruinous and fatal must ask ourselves both insistently and searchingly the hardest of questions: How much of our freedom must we relinquish to our country's cause in order to save our freedom?

One curious thing about the question is that candid men who deeply believe in democracy, and candid men who really do not care so much for it, may seem at first to be approaching their solutions to the problem from the same ground. We are going to have to stop talking so much about our freedom, many of our people are beginning to say. It is on the cards that we deal with German Europe; it is not on the cards that we greatly increase our trade with South America, some say. Speaking in August, 1940, at San Francisco before the National Foreign Trade Convention, Joseph C. Rovensky, a vice-president of The Chase National Bank, bluntly argued that this country should retreat from the Hull method as useful only under "normal conditions" and he urged resort to Hitler's method of "barter or compensation trade." "It is entirely probable . . . that we shall also adopt trading practices born of expedience," Mr. Rovensky said.

In a message to the same convention President Roosevelt said that such a course would "subject . . . the entire nation to the regimentation of a totalitarian system." At the same meeting Henry Francis Grady, Assistant Secretary of State, said that to barter thus with Hitler would expose us

to a "sixth column of special interests," operating both from without and within.

Perhaps what we shall require to preserve our freedom on this hemisphere is not "regimentation" but regulation of traffic: How for our own security can we direct and keep in hand most safely our flow of outland trade? The opposition want to resume old driving habits, jumping red lights, making their own choices at every danger point and intersection, driving in what they consider in the light of only their own interests to be an "expedient" course. We who take the other view say we would rather see world trade traffic sensibly directed; we say we would much rather drive to our goal under our own democratically-posted signs, danger marks and stop-and-go signals than ride to smash under a trading traffic system more or less secretly directed from Berlin.

I want to be guided in all that I say during this perilous year by a spirit of moderation. I have said that "whether it knows it or not, the Republican party is the party of appeasement." I have added that the Republican standard-bearer is not himself of this persuasion; he, indeed, has stated that he is "100 percent" against appeasing Hitler. But during the fall of 1940 it becomes increasingly clear that the gathering drive for appeasing Hitler has gathered principally around that same old hard-headed group, the powers that be of the G.O.P., the party of "business as usual" by unyielding nineteenth-century standards.

We have reason to fear these shortsighted, stubborn and generally honest men. Leadership such as theirs has drawn us into deep trouble before. But the trouble they would get us into this time would be nothing short of chaotic. I say, deliberately, that they are of the breed and temper of those who stood behind Chamberlain in England, and who made possible the easy conquest of Norway, of Holland, of Belgium and of France. I say that if there is a Hitler victory in Europe there will at once be pressure from within as well as from without for loans to the puppet governments which Hitler has set up in the countries he has conquered. The same business interests which unloaded the worthless bonds of Europe on American investors following the First World War will push hard for the same sort of profits they made then.

If we once embark on this business of selling oil and food and minerals to Hitler's Europe, on his terms, as another return to "normalcy," there will be no turning back. As we drive on toward collapse we shall have to go on yielding more and more to Hitler's demands, tying ourselves more and more tightly to his labor mark, putting ourselves more and more under his heel.

In President Roosevelt's *Looking Forward*, a book made up of his

campaign pronouncements in 1932, he spoke of the postwar Republican trade and credit maneuvers as "romantic adventuring in foreign markets." We must ask ourselves now what would happen to us as a people if those romantic business adventurers, those heedless believers in headlong "economic opportunism," are allowed to run hog-wild again.

This time it would be much more serious than it was the time before. This time, if we let it happen, we shall almost certainly fall victim to highly centralized forces of foreign commercial rule and oppression, the like of which in might and in savagery have never been seen before or even imagined in the time of man. If we go at it this way, headlong, haphazardly, we shall oppose a divided, random and feeble bargaining power on this side of the water to a terrifically concentrated bargaining power on the other side. If we allow ourselves to be drawn unprepared into such blindly opportunistic trading with German Europe, we shall be like a bunch of scurrying boys trying to halt with slingshots a highly concentrated massed attack.

Those who have been or are farmers or working people or men in small businesses know very well that helpless feeling which comes at times when you are up against big combinations of buyers, sellers, promoters, distributors or employers. To counteract the inequalities which arise in trade between individuals standing alone and combined bargaining power on the other side, labor unions, farmer and consumer co-operatives, and associations of smaller businessmen have become the most vital growing points in the development of our democracy.

We have learned what big concerns can do in a cold-blooded, impersonal way to the laboring man who joins a union, to the farmer who joins a farm co-operative, or to the small tradesman who enlists in an association against the march of the chain stores or the big gas chains. But all that we have experienced in the way of monopolistic oppression here in this country will appear to have been as nothing in comparison with the sort of hemispheric monopolistic oppression which German Europe can put upon us, and definitely plans to put upon us, if we seek in a disunited and blindly individual manner to do business with Hitler. If we take the bait and plunge into trade unorganized, then, I want to say most earnestly, our very biggest concerns soon will find themselves to be very little concerns, as compared with the size and might of the opposing bargaining power. Our mightiest private concerns will find, all too soon, how it feels to be a little fellow taking what the big boss will pay when he will pay it, working when he says you can work, expanding productive capacity when Hitler gives the nod, going to smash when he decides he has had enough of that and nods in another direction.

We want foreign trade. We want all we can get, safely. I am convinced that we can get a good deal of foreign business after this war, safely, if we organize to get it safely, and do not dash out for it disunited. If we make such a dash, I am completely persuaded, Hitler and his concentrated commercial artillery can pick off business by business, region by region, country by country.

There can be no doubt that we face just such danger. If we do not quickly come to think and to act in terms of a unified long-time allegiance to democratic designs, both internally and in concert with our hemispheric neighbors, then the postwar German commercial *Putsch* upon us, even now developing, can penetrate every seam and point of division and rip us wide open.

We have leaped with a united will and spirit to set up in a hurry a military defense. Difficult problems of engineering and finance confront us in this particular; but far more difficult and intricate is the problem of keeping us united in what we have traditionally been reared to feel is the realm of free and restless enterprise, largely unguided by common concern, outside the realm of democratic government—business. Business in Europe now is surely and mightily a united process. Not only Germany but such countries as still oppose her are buying, in effect, through just one gigantic bargaining agency. We must unite.

We can be very strong here in the Americas if we can unite in this plain and urgent business of presenting as nearly as possible a united front in trading with an avowed enemy. Germany will try to bluff and frighten us into disunited action. She will say that she can get along without the products of this hemisphere. She will hope to develop alternative sources of supply in Africa. It will take her fifteen or twenty years to do the job of developing Africa to take the place of the Americas, in case she wins. But she is going to do everything possible either to dominate the Americas completely or to be independent of them. Germany's immediate postwar trading position in case of victory is strong, but not as overwhelmingly strong as she would have us believe. She will badly need petroleum and copper from the Americas. She will need wool, hides, corn, oil cake and a variety of other products that we have in abundance.

Our country is peopled by those who left Europe to escape regulation of one kind or another. But now both America and the world are growing up. And freedom in a grown-up world is different from freedom in a pioneer world. As a nation grows and matures, the traffic inevitably gets denser, and you need more traffic lights. Those who urge the removal of trade traffic lights speak in behalf of anarchy.

To prevent unemployment, we must put at least four billion dollars

of new capital (new debt, unless replaced by common stock) flowing a year. This debt can be private or governmental or both. The choice back of that, if private capital does not flow, is to withhold public money, to go on having unemployment, not take care of it—and face starvation, bloodshed and revolution.

In normal times, everyone would prefer, of course, the private route. But when you have a Hitler in the world—controlling government exports, government imports, government exchange; a Hitler using propaganda, economic penetration, warlike aggression, it is unlikely that any large amount of private capital will flow into the production of peacetime goods.

I think we ought to face the fact that with a Hitler controlling the exports, imports and exchanges, it is impossible to get an adequate outflow of exports from the United States, and that an increase of governmental intervention is inevitable.

I am delighted when or if government can be withdrawn from the business field, because I have a friendliness toward government and hate to see it placed in the position where, in the world market place, it is exposed to the criticism of both buyers and sellers simultaneously. Yet government has long entered in the background of the world market place, through its action on tariffs, monetary policies, taxation, regulation of grades, etc. It will probably have to enter the world market place in the future more than in the past. Indeed, it is certain that as long as totalitarian governments exert a profound effect on world trade, our government will have to enter the world market place more than ever.

This does not mean that we must reconcile ourselves to regimentation. A people may submit to laws and regulations of their own devising and still be joyous and free. We can have a rebirth of individualism without going back to the terms of pioneers fleeing all restraint, or giving way to the ethics of the buccaneer businessman who feels that it is his right and privilege to unload worthless stocks or shoddy goods on a gullible public. We can have a new individualism that directs itself in terms of the general welfare, a new individualism based on the capitalism of Main Street, but not disregarding completely what the capitalism of Wall Street has taught us.

The times demand it. It will be necessary for the government and all of us to co-operate in order to make the multitude of adjustments that must be made to meet the situation during the five or ten years following the peace. The danger is that many big income-tax payers will, even before peace comes, set up shouts of "Give us free enterprise," "Take government out of business," "Cut government expenditure at once," "Down

with bureaucracy," and so on. This attitude is perfectly natural, but if it is carried into action it will produce a situation infinitely more dangerous than that of 1921 and 1932.

I am well aware of the sins of bureaucracy, its occasional pettiness and red tape. The bureaucracy of any country cannot be much better than the human beings of that country. But I am convinced that governmental bureaucracy, from the standpoint of honesty, efficiency and fairness compares very favorably with corporation bureaucracy. There is less nepotism, less of arbitrary and unfair action, and a more continuous consideration of the general welfare. This is not because human beings in government bureaus are so much finer as individuals than human beings in corporation bureaucracies, but because continuous public scrutiny requires a higher standard.

Economic emergency is like a war. Under stimulus of trouble and danger millions of persons experience a rebirth of their individual wills and know the joy of moving together to pull the nation out of trouble. We in this nation have been under tension almost continuously since 1916. Whether we have realized it completely or not, we have been in a state of emergency ever since the outbreak of World War I. For nearly a quarter of a century we have experienced the greatest need for unity if we are to adjust ourselves to a world continuously and violently changing. World War II inevitably will make it necessary for us to adjust our ways more completely. The good old days are not coming back. We are going on into a new world with a determined will to make it a better one.

[Excerpted from The American Choice.]

When, somewhat unexpectedly, the President chose Wallace as his running mate and forced his choice at the Chicago convention, Wallace resigned as Secretary of Agriculture and went out to campaign. His stump speeches were ordained in point of circumstances and propriety to be in the main secondary, and in the main they were. But Wallace surprised almost everyone when, in the opening speech, accepting the nomination for Vice-President in his home town, Des Moines, he "branded," as the headlines said, the Republican as the "party of appeasement." This aroused a great furor, and enlivened the campaign enormously; for the challenge struck through strictly party lines to separate those in both parties who wished to stand clear of a worldwide explosion and attend so far as possible to our own business and those who backed the President in strides already taken to join forces, at the imminent risk of actual war, with the Allied powers against the Axis.

The sixth and last paragraph of the following excerpt shows what Wallace wrote on this point in his speech of acceptance:

The dictators have definite designs against this hemisphere. They hope by propaganda and bartering arrangements to set one nation against another. They hope to set each class against another class. They inspire a multitude of angry voices in every democratic nation. Out of the confusion which they have created they hope to build political power and eventually military power.

If the Americas present to the Axis powers the same divided front as the democracies of Europe presented to them, we shall assuredly walk the same path of destruction and lost freedom. In the United States, as well as in the other Americas, we find certain men who for purposes of their own profit want England to give up her fight against Hitler and who are strong for economic appeasement between the Americas and a German-controlled Europe. In that direction lies slavery, even though it is sugar-coated with promises of prosperity. Those who stand for business appeasement with Germany are the backbone, even though unwittingly, of the most dangerous of all fifth columns. For the sake of a profit in 1941 they would sell out their own future and their children's freedom. The businessmen of western Europe followed this path to their sorrow. If we of the Americas are not made of sterner stuff, we shall go down as they have gone down. Our weapons are unity for total defense and a determination *not* to engage in economic appeasement.

A materialistic religion of darkness, based on force and lies and led by prophets of evil, is striding across the world. This war is more than a clash of rival imperialisms. It is a war to destroy freedom and democracy. It is a war to prevent the people of North and South America from developing their resources without paying tribute to Europe and without being victims of European secret police serving a self-appointed master race. There is no denying the strength and fanatical zeal of this Satanic doctrine. It transcends economics and politics to invade the personal life. It proclaims might as the supreme god and the new Nazi master race as the mightiest of all, with a special destiny to direct and exploit and enslave every people in the world.

Against this dark and bloody faith we of the New World set the faith of Americanism, of Protestantism, of Catholicism, of Judaism. Our faith is based on belief that the possibilities in an individual are not determined by race, social background or wealth. We believe in the maximum of freedom which can be obtained without anarchy or intolerance. Democracy is the very heart of the religions which have the largest following in the United States. Democracy and Americanism are identical. Both are utterly opposed to totalitarianism with its exaltation of might, its suppression of freedom, and its claims to racial supremacy.

I am happy to respond to the notification ceremonies this evening with an acceptance, because I believe the Democratic Party under the leadership of President Roosevelt is far better equipped than the opposition to pre-

serve the freedom of the Americas. He has understood the Hitler menace from the start.

Powerful elements in the opposition will, if the Republicans come into power, force us to make one economic concession after another to the totalitarian countries. These appeasers will have their way if the Republicans win, because they will have contributed so largely, both politically and financially, to the Republican cause. These people believe the Republicans in power would give them profitable business with a German-controlled Europe at the earliest possible moment. Of all men in the United States, Roosevelt best knows the danger of making economic concessions to the dictators.

Elsewhere in the same speech and in later talks Wallace read, or interjected, the sentence: "Whether it knows it or not, the Republican party is the party of appeasement." This was the sentence that stuck in the public mind. Wallace put it in his remarks as a simple statement of complete conviction, and kept it in despite the protests of more conventional Democratic politicians who felt that such a statement might turn out to be a sort of blow below the belt enraging isolationists in both major parties.

The conventional politicians turned out to be right about that. But the immediate effect of Wallace's line of attack was such that the master politician in the White House sent him a wire of public congratulation. Immediately the opposition candidate, Mr. Willkie, was stung to declare that he, too, was 100 percent against appeasement. The campaign proceeded on a much higher level of leader agreement as to international attitudes than might at first have been expected; and Mr. Willkie's attitudes have been expanding ever since.

Having sounded off in wise innocence with a challenging keynote, Wallace labored honestly on a long tour to keep the argument within the limits of demonstrable fact. Advance promotion of his meetings along his way was by no means the sort of advance work that is done for a President out campaigning. He did not mind that. Sometimes he and his two traveling aides, Jim Le Cron and David Coyle, would drive into a little town and find that the Democratic committeeman or committeewoman there had made no arrangements. In one such town, they picked out a spot by the curb near the main corner drug-store, and started to talk with a few people who came up to find out who these visitors were. Soon they were holding a really big meeting, with Wallace asking them questions, and answering their questions, without trying to make a set speech. "I saw a lot of the country and met a lot of fine people," he said when the campaign had ended. "But, you know," he added thoughtfully, "it's a funny way to live."

One of his closing exercises as Secretary of Agriculture was a ten-minute radio piece that he called—

THE STRENGTH AND QUIETNESS OF GRASS

Uppermost in all our minds these days are tragedies and alarms which we cannot escape. But it is natural that we should think of other things in relation to them; so even when I think about the place of grass in American agriculture I find myself thinking in terms of the world situation and our own future.

I have always had a great affection for grass. It seems to stand for quietness and strength. I believe that the quietness and strength of grass should be, must be, permanently a part of our agriculture if this nation is to have the strength it will need in the future. A countryside shorn and stripped of thick, green grass, it seems to me, is weakened just as Sampson was. An agriculture without grass loses a primary source of strength.

It is only recognizing the truth to say that in the past we have been lured by the Delilah of profits to destroy grass covering recklessly. We plowed up millions of acres of grassland; we overgrazed millions of other acres. We thought too much, and we still think too much, in terms of plows and cultivators. My guess is that even today not one farmer in ten uses good pasture methods. Grass we have. Pastures we have. But our grass is usually on land that we figure is no good for anything else; and after we put the grass in, we neglect it.

Many people blame science for our surplus of farm products. They say that science taught us how to grow two blades of grass where one grew before. I think the trouble is that is exactly what science did not teach us. Instead it taught us how to grow something else where two blades of grass grew before. Now we are beginning to see the weaknesses of an agriculture stripped of grass. More and more we are turning in thought and practice toward an agriculture in which grass will act as the great balance wheel and stabilizer to prevent gluts of other crops—to save soil from destruction—to build up a reserve of nutrients and moisture in the soil, ready for any future emergency, to create a more prosperous livestock industry, and finally to contribute to the health of our people through better nutrition.

[June 21, 1940.]

X: 1941

OUR SECOND CHANCE

We of the United States can no more evade shouldering our responsibility than a boy of eighteen can avoid becoming a man by wearing short pants. The word "isolation" means short pants for a grown-up United States.

Today we are not greatly concerned with the past except insofar as it furnishes a lamp to guide our footsteps in the future. The United States now has her second opportunity to make the world safe for democracy. During the First World War and the fifteen years which followed, our intentions were of the highest, but our judgment was not good. From the depths of our hearts we responded to the idealism of Woodrow Wilson. Our boys enlisted to save the democracy of western Europe and the New World from encroachment by the imperialism of a militaristic Prussia. They thought they knew what they were fighting for. That is why they fought so well.

In that war, we fought well, believed profoundly and produced tremendously. Aside from that, our record was not so good. When the peace came, we refused to accept responsibility for the world we had helped to create. We turned our backs on Europe. We said we were isolationists. During the war prices, taxes and wages had doubled. When the war ended, consumers wanted lower prices, employers wanted lower wages, and everybody wanted lower taxes. There was talk about getting back to normalcy. The desire for normalcy and for isolation caused our people to refuse to accept the world responsibility which had been brought to them.

Those who preached isolation and normalcy were skilled in their political insight. They appealed successfully to the blind prejudices of the people who were disillusioned when the war excitement stopped, when taxes went higher and prices fell and unemployment increased. The people were hungry for isolation, high tariffs and normalcy—the very things which would make our problem worse.

Looking backward, we can afford to be charitable toward the isolationists and high-tariff men of the 1920's but we cannot feel so kindly

toward those mistaken men as to encourage others in the future to repeat their mistakes.

The Germans, even under Hitler, have a fanatical devotion to duty. They are passionately eager to put their all at the service of the state. Yet it is certain that in any long-drawn-out conflict the German psychology will crumble. It thrives on success, but it cannot stand up against even temporary failure, because the basic Nazi principles of lies and deceit outrage the fundamental interests of the human soul.

In strengthening our youth against the Nazi lie, we must make their faith glow in the truth, which is that the essence of democracy is belief in the fatherhood of God, the brotherhood of man and the dignity of the individual soul. Democracy so defined is almost identical with religion. Hitler has no concern whatever for the individual soul.

The Nazis drive their people like cattle to the slaughter. The democracies, if they are to survive, must work out some way which, while holding fast to human rights, will at the same time permeate the individual souls with a feeling of responsibility so that the citizens of a democracy will be as willing to give wholehearted, unselfish service as the citizens of a totalitarian power. This we can do if in addition to holding firmly to our Bill of Rights, which this year is exactly 150 years old, we formulate a Bill of Duties. Under the Bill of Rights and Duties, we can have a flexible structure into which each citizen may make his productive contribution to the general welfare. Youth now has a more intense desire to serve. Our governmental and business leaders must make it their first business of the peace to give our youth the opportunities to work and serve under the Bill of Duties, so that they may enjoy the privileges of the Bill of Rights.

Properly equipped with a Bill of Duties, the United States can shoulder her responsibility to the world in the peace that is to come. Without such a Bill of Duties, I fear peace will mean world chaos. With such a bill we can help build a *Pax Democratica* which will bless us and the whole world for a century to come.

Modern civilization, in order to continue, must have order. Under the Nazi scheme of things, order is imposed from above. In a democracy, most of the order must and should come from the individual human heart.

After the victory, what of the peace? The battle of the peace will be more difficult to win than the battle of the war. All Europe will be a mad swirl of chaotic forces. Unless we are prepared to help in the reorganization of a shattered world, these forces will leap from continent to continent and destroy even the United States. Our help must be of such a

nature that neither a madman nor a mad nation will ever again have the opportunity to kill millions of people and destroy tens of billions of dollars of property. The Nazi ideology, with its belief in violence and deceit, its hatred of non-German races, and its denial of the rights of man, must be so crushed that it can never rise. The peace, if it is to be a lasting peace, must also make certain that neither the barbaric philosophy nor the militaristic imperialism of Prussia will ever again have the opportunity to find incarnation in the person of a leader possessed of devils.

But the battle of the peace is far more than protecting the fine people of Germany from their heritage of deceitful Prussian statecraft. There must be worked out an international order sufficiently strong to prevent the rise of aggressor nations. We must not let the next peace be such as to force the defeated nations to engage in economic warfare by the use of controlled currency, impossibly high tariffs, and bilateral trade agreements. The victor nations must also refrain from economic warfare. We must remember that we cannot compel a defeated nation to pay an impossibly high indemnity and at the same time, by means of high tariffs employed by the victors, forbid such nation to export. The next peace must take into account the facts of economics; otherwise, it will serve as the seedbed for aggression. The next peace must give the defeated aggressor nations the opportunity to buy raw materials and sell manufactured goods without discrimination as long as they do not produce offensive weapons, engage in economic and psychological warfare or treat their labor unfairly.

Labor and agriculture in the United States will demand jobs and security from the next peace. They can have jobs and security, provided the peace is such a real one that private initiative feels safe to move again as it did from 1860 to 1910. Here is Latin America to the south of us, ready during the next fifty years to go through what the United States went through from 1860 to 1910. Opportunities will not be lacking.

Here in the United States we have tremendous reserves of unused capital, technical understanding and trained labor eager to co-operate with our brothers to the south in the development of a hemisphere. It is vital to the welfare of both Latin America and the United States that the industrial expansion south of the Rio Grande should not only be rapid, but that it should avoid the mistakes we in the United States made.

A real peace will unleash such an expansion as the world has never seen. But such an expansion will require the most understanding co-operation between private and governmental capital in planning to take care of what otherwise will be a most serious unemployment problem. Peace will bring worldwide chaos unless the United States furnishes positive leadership.

Before we have the right to talk very definitely about the foundations of a just and democratic peace, we must put our backs under the job of defeating the forces of evil. These forces are immensely stronger than most of us realize. Jesus, recognizing the devilish efficiency of the dark forces, said, "The children of this world are in their generation wiser than the children of light." At the moment, most of us in the United States are overconfident. We are not working hard enough. We do not realize that our very lives are at stake and that speed now may make the difference of millions of lives in this hemisphere. I myself am confident of the final outcome. In the long run, that which is good will triumph over that which is evil. Democracy has a tremendous reserve of material and spiritual strength. We have the labor, capital, resources and brains to do the job.

God grant that we may now have the wisdom to write democracy's New Testament in a Bill of Duties, a Testament which in no way will deny the Old Testament with its Declaration of Independence, its Constitution, its Bill of Rights and its Gettysburg speech. The New Testament of democracy will fulfill, not deny, the Old. But to fulfill, there must be a sense of interdependence as well as independence—a sense of duties as well as rights—a feeling of responsibility commensurate with our power.

[*Before the Foreign Policy Association, New York City, April 8, 1941.*]

Wallace became, for a while, the first Vice-President in American history to hold by appointment of the President an additional post. On July 30, 1941, after return from a special diplomatic mission to Mexico, he was made Chairman of a Board of Economic Warfare, created by executive order of the President on that date. Milo Perkins, one of Wallace's chief aides as Secretary of Agriculture and his closest friend in Washington, was named Executive Director of the new Board. Wallace added another phone, a private line to Perkins' office, to the array on his desk at the Senate Office Building, and directed the job from there. Even as in time of peace he had planned for war, he now engaged in war strategies of great reach and magnitude, and talked and thought and wrote of "the shock of peace." For this he was criticized. *The Atlantic Monthly* asked him to defend his position. He had just finished writing his article, "Foundations of the Peace," when the Japanese struck at Pearl Harbor and war was declared.

FOUNDATIONS OF THE PEACE

In these days of world crisis, there are many who say, "Let us have no talk of peace until the war is won." There are others who have said, "Let us not think of helping to win the war until the details of the peace are

completely settled." I believe the sensible and constructive course to take is this: Do everything we can to speed our drive for victory, because unless Hitler and his Italian and Japanese partners are defeated there will be only the cold, bleak hopelessness of a new Dark Age. At the same time, think hard and often about the future peace, because unless we and the other democracies have confidence in that peace our resistance to our enemies may not be strong enough to beat them.

Thinking of the future peace, in other words, is not searching for an escape from the stern realities of the present, not taking refuge in airy castles of our minds. From the practical standpoint of putting first things first, at a time when there are not enough hours in a day and every minute counts, planning for the future peace must of necessity be a part of our all-out war program. More than that, the daily actions being taken now by both Britain and ourselves are determining to a large extent the kind of postwar world we can have later on.

It seems almost certain that sometime within the next few years another peace will be written. If it should be a Hitler peace, no one but Hitler and his henchmen would be allowed any part in writing it. But if, with this country's determined participation and support, the Allies are successful, the world will have a second chance to organize its affairs on a basis of human decency and mutual welfare.

Again, as in 1919, there will be the question of what to do about the world's armies, the question of machinery to prevent new aggression, the question of what to do about national boundaries. And again, as in 1919, at the roots of all these knotty questions will be the fundamental problem of restoring the world's trade and of expanding economic activity so as to improve living standards everywhere.

We are now aware, after our experience of the last twenty-five years, that the most careful delineation of national boundaries is not in itself enough to prevent the world from suffering a repetition of the catastrophe of general war. Nor can this be prevented simply by the establishment of an international league. We know now that the modern world must be recognized for what it is—an economic unit—and that wise arrangements must be made so that trade will be encouraged. The foundations of democracy can be rendered safe only when people everywhere have an opportunity to work and buy and sell with a reasonable assurance that they will be able to enjoy the fruits of their work.

Actually, the seeds of the present world upheaval were sown in the faulty economic decisions that followed the war of a generation ago. The vast sums of reparations imposed on Germany, however justified they may have been on moral grounds, were an indigestible lump in Europe's

financial stomach. The war debts owed to the United States by the Allies were equally a handicap to trade. All over the world, the old international gold standard had broken down, and nothing effective was done to replace or restore it. Europe was left cut up into many small national units, and each of these units was left free to erect tariff and trade barriers as it pleased. Many nations, including our own, tried to buy as little as possible from the rest of the world and to sell as much as possible. European countries that normally bought wheat and meat from overseas shifted their production policies with a view to becoming self-sufficient in food. This not only lowered their own standard of living, but upset the economies of the exporting countries. The United States, newly become a creditor nation, adopted tariff policies which only a debtor nation could hope to live with, and in so doing helped make it certain that the world would go through hell.

The dislocations brought by that First World War and by the unwise management of the peace were especially hard on the raw-material producers of the world. Prices of raw materials are extremely sensitive to changes in demand or supply. Therefore, various groups of raw-material producers, including the farmers, found themselves in serious trouble when their supplies were greater than demand. The fall in raw-material prices and the resulting lack of purchasing power of the raw-material producers became a serious threat to the well-being of countries everywhere.

For ten years after the First World War, the deadly economic malady afflicting the world was covered up by the billions in private loans floated by foreign borrowers in the United States. These loans were usually floated at high rates of interest and used for purposes which, for the most part, did not increase the borrowing countries' ability to pay either the interest or the principal. Thus they produced a temporary, though basically unsound, prosperity. When the stream of loans suddenly dried up, the flimsiness of this prosperity of gaudy tinsel was revealed, and the whole thing came crashing down.

In very truth this nation, during those early postwar years, was sowing the wind by its policies of isolation, high tariffs, unwise foreign loans, and high-pressure sales abroad. It could not avoid reaping the whirlwind.

Spokesmen for the isolationist point of view did not support President Roosevelt in his stand for a peace built around freedom of speech and expression, freedom of worship, freedom from want and freedom from fear. They were quick to condemn the President for having joined with Winston Churchill in subscribing to the Atlantic Charter. They saw dangerous foreign entanglements in such simple words of the President as these:

"The co-operation which we seek is the co-operation of free countries, working together in a friendly civilized society."

We may wonder whether the long and bitter fight put up by the isolationists in the decade of the twenties to keep the United States from behaving as if it were part of the world is to be renewed when the time comes for building a new peace. What they do will have an important bearing on political alignments in the United States. The injection of such an issue into politics would ordinarily be nothing of which to complain, for surely the people have a right to choose the policies they want the nation to pursue. But the really serious aspect of the matter is that the whole future not only of this country but of human civilization itself may depend on the ability and willingness of the American people to take the broad view.

For my part, I believe that the American people have profited from their experiences of the last twenty-five years. I believe that they will perceive, with increasingly clear vision, the place of leadership in the world which the United States can scarcely avoid occupying; and that they will support policies and arrangements for sensible co-operation with other countries.

One evidence of the more enlightened point of view is found in the wide understanding of the great practical difficulties in the way of this country's trying to receive billions of dollars in goods and services when the war ends, in exchange for the weapons and food now being shipped abroad under the Lend-lease Act. There seems some merit in the often-heard suggestion that the United States will be well repaid if Britain and the other recipients of lend-lease materials enter genuinely, intelligently and wholeheartedly into co-operative relationships to ensure the world's economic and social stability after the war.

The peace aims which Roosevelt and Churchill have enumerated are splendid statements of principle. They open up big fields for exploration. The job now is to work out, as definitely as we can while the war is still in progress, practical ways and means for realizing them.

Preliminary studies of some of the expected postwar problems already are being made by the Economic Defense Board and the Cabinet departments whose chiefs are members of that board. This is being done in accordance with the Executive Order of July 30, 1941, which directed the Board to "make investigation and advise the President on the relationship of economic defense . . . measures to postwar economic reconstruction and on the steps to be taken to protect the trade position of the United States and to expedite the establishment of sound, peacetime international economic relationships."

Now, what must be considered in establishing such "sound relationships" in peacetime? There are certain basic facts which cannot be ignored. One of these is the universal necessity of access to raw materials and the need for an economic arrangement to protect the raw-material producers of the world from such violent fluctuation in income as took place after World War I. Another is the indispensability of markets for goods produced. A third is the present existence in all countries of tariffs and other barriers to imports. A fourth is the use of gold as a base for national currencies and as a means of settling international trade balances. A fifth is the place of credit in stimulating international trade. A sixth is the close relationship between stable national currencies and the exchange of goods and services. A seventh, and most important of all, is the essential role of adequate purchasing power within the various countries that are trading with each other—for full employment within nations makes broad trade possible with other nations. All these facts and factors are of prime importance in determining the state of the world's health, and they will naturally form some of the main ingredients of postwar economic planning, if it is to be done on a comprehensive scale.

Each of these aspects of world trade is a vast subject in itself, and I do not have space here to discuss them all. However, I do wish to point out that basic to any sensible ordering of the world's economic life is the stabilizing of the production and prices of raw materials.

During the twenties and thirties, when the raw-material producers were in such frequent trouble, various methods were developed to help them adjust themselves to the painful realities of diminishing demand. There were the Stevenson rubber plan, the Chadbourne sugar arrangement, the beginning of an international wheat agreement, and in the United States an ever-normal granary program. The plight of the producers was so difficult that in most of these remedies very little effort was made to think about the consumer. More than any of the other plans, the ever-normal granary in this country recognized consumer needs by setting up huge stockpiles of wheat, cotton, and corn. The stated objective was to carry over the surplus from the fat years to the lean years, thus benefiting the producer in the years of overproduction and very low prices and helping the consumer in years when the supplies otherwise would be short and the prices high. As things turned out, our ever-normal granary stocks of corn made possible our quick and heavy shipments of pork and dairy products to Great Britain during this last year. Those of us who formulated the ever-normal granary program had in mind that supplies might eventually be very helpful in case of war. But none of us at that time visualized also how important these supplies might be to the war-stricken

territories during the years immediately following the declaration of peace.

As part of the effort to win the peace, I am hoping that what might be called the "ever-normal granary principle" can be established for a number of commodities on a world-wide scale. It will be remembered that the fourth point of the eight points agreed upon by Roosevelt and Churchill in the Atlantic Charter mentioned the enjoying by all the states, great or small, victor or vanquished, of access on equal terms to the raw materials of the world. To give this lofty ideal a more definite substance should be one of our chief objectives in the months that lie immediately ahead. The people of all Europe should feel that there are available, in the United States, in Latin America, and in the British Dominions, tremendous quantities of raw materials which can be used for food, clothing, and shelter within a short time after the war comes to an end.

Thus far, there have been no definite arrangements between the United States and the British Empire or between the United States and Latin America with regard to handling the raw-material problems of the world in such a way as to make for a just peace. A beginning has been made along this line with the international wheat-agreement meeting which was held in Washington last July. Nothing has yet been signed, but it is apparent that the United States, Argentina, Canada, and Australia, as well as Great Britain, are moving in the direction of a "world ever-normal granary," with export quotas and with prices stabilized at a point to be fair to producers and consumers.

The world cotton problem is similar in some ways to the world wheat problem, but less progress has been made toward orderly marketing arrangements for cotton than for wheat.

Huge surpluses of both cotton and wheat are piled up in the exporting countries, waiting to be used whenever the stricken countries are able once more to handle them. Of cotton, there is stored in the United States a supply sufficient to take care of the normal needs of all Europe for at least a year. Of wheat, the United States last July 1 had a carryover about four times the normal of the twenties, and it is evident that next July 1 the carryover will be nearly seven times the normal of the twenties. In Canada the situation is somewhat similar, while in Argentina and Australia large surpluses loom for the near future. Four great wheat-exporting nations of the world now have a billion more bushels on hand than they did during the first half of the twenties. This is approximately twice as much wheat as moved in world trade in the years preceding the outbreak of the war. It is enough wheat to feed the entire population of continental Europe for

a large part of a year, or to cover the Continent's import requirements for nearly three years.

When the curse of the Nazi mailed fist is at last removed from the stricken countries overseas, the first and most pressing need will be action to bring food to the starving and the undernourished. For this purpose the accumulated surplus stocks of wheat and the increased production of other foods for which farmers are now pushing will be enormously helpful. The pity is that there is no practical way to get this food to these people now without helping the Nazis and thus postponing the day of real liberation of these people from the Nazi yoke.

Besides food, the devastated regions will have urgent need of other materials and equipment to assist in their reconstruction. Homes, factories, office buildings, schools, churches, highways, railroads, bridges, have been destroyed in large numbers. In the tremendous job of rebuilding which must be undertaken, the United States and the other countries of the Western Hemisphere can play a vital part. Meanwhile, both strategy and humanity will be served if we take every opportunity to let the people of the occupied countries know that we intend to stand behind them in their efforts to get back on their feet. That will give them something to which to cling during their months or years of misery and will speed the day of a Nazi collapse and the emancipation of the world.

The democratic countries are in splendid position to organize themselves for rapid relief work as soon as peace comes. I am confident that we can do this job and do it well. But we must be looking ahead to the longer future and laying plans on more than just a temporary basis.

It is now clear that by the end of the war the non-Axis nations will have a greater production of raw materials, a greater output of manufactured products, and a greater number of skilled workers than ever before. Nearly half of their production may be going to the British and American governments by the time Hitler is overthrown. If two such customers were to drop out of the market abruptly, it would break everyone. Businessmen know this.

We in the democracies must begin to realize, therefore, that if we can afford tremendous sums of money to win the war, we can afford to invest whatever amount it takes to win the peace. If that necessity were accepted today, both here and in England, we could be writing a very important part of the peace now. Both nations could be making contracts with producers of raw materials throughout the world for delivery of their goods during the war and for several years beyond the armistice at reasonable prices and not at inflated prices. That would sharply reduce the

cost of winning the war and give more assurance than any other single action that business is not going to be allowed to collapse after the fighting is over. There would be no better use to which this country's gold could be put than in making such purchases. Many of the goods bought in this manner for postwar delivery would have to be sold on credit by the British and ourselves for reconstruction within the devastated nations.

Just as individuals here and in England are being encouraged to build up future purchasing power for themselves through defense bonds and other devices, so raw-material-producing countries would by means of such a plan as this be accumulating purchasing power in the form of gold. This gold could be used in the future for buying the finished goods of Europe and America.

Not only would the gold which these countries would thereby obtain make it possible for them to buy finished goods of Europe and America, but it could also be used in part to provide much needed strength for their currency and banking systems, and make it possible for them progressively to relax the stringent exchange controls, import quotas, and clearing arrangements which serve so effectively to restrict the flow of goods from country to country. Without adequate gold reserve and without the ability to obtain the kind of credit which can be utilized to pay for imports, a country is greatly handicapped in its conduct of foreign trade, and, in order to prevent its currency from depreciating in the foreign-exchange market and its credit from deteriorating, finds itself forced to adopt illiberal trade policies and severe restrictions on its imports. With increased gold holdings countries will be able to pursue more effectively a policy of stable foreign exchange and liberal trade practices.

If we get the right kind of peace, we are sure to see the whole world within a few years operating on a much higher level of production than ever before and this would of course mean a greater world market for raw materials.

Given the right kind of peace, this prospect of greater world trade is certain to materialize, for it rests on the sure prospect of continued industrialization everywhere. The process of industrialization is the way to attain higher standards of living. Everywhere there are communities that must increase their proportion of people engaged in industry and reduce the number of people engaged in the production of farm products. Even in the United States there are many areas where we want to see as soon as possible a shift in the degree of industrialization. Communities that are now only forty percent industrial could, in the course of the next ten years, become perhaps fifty percent industrial. Similarly, there are many communities in southern Europe, Latin America, and the Pacific countries

where that kind of shift would be of tremendous value from the standpoint of raising living standards. For every unit of gain in per capita living standards that a shift to a higher proportion of industrialization would mean in the United States, it would mean proportionately a much greater gain in the countries where industrialization is just begun. One of the difficult problems which we have to face is the need for helping numerous countries shift to increased industrialization without encouraging them to resort to high tariff schedules to accomplish that end.

Fortunately, in many cases the low level of industrialization is not a result of circumstances for which there is no remedy, but a consequence of the scarcity of capital and lack of proper technicians. It should be possible with intelligent effort to help those countries get both. Such growth in industrialization will assure the raw-material countries, which will be exchanging present production for gold, a continued market for their raw materials far into the future.

Some such program as here suggested might be worked out in collaboration with the British, and the democracies of Europe and Latin America, and put into effect boldly long before we come to an armistice. Probably the English-speaking peoples of the world will have to take the lead in underwriting world prosperity for a generation to come. They must begin now to prove by their actions that they are as interested in winning the peace as they are in winning the war. If this long-term, businesslike purchase of raw materials were working within six months, it would be worth a thousand blueprints at the peace conference. It is one of the ways in which we can build up morale for the struggle ahead. It is one of the ways in which we can build an economic future solid enough to be worth fighting for.

The overthrow of Hitler is only half the battle; we must build a world in which our human and material resources are used to the utmost if we are to win a complete victory. This principle should be fundamental as the world moves to reorganize its affairs. Ways must be found by which the potential abundance of the world can be translated into real wealth and a higher standard of living. Certain minimum standards of food, clothing, and shelter ought to be established, and arrangements ought to be made to guarantee that no one should fall below those standards.

In this country we have already made a start in this direction. Through the food-stamp plan, the cotton-stamp plan, the school-lunch program, the low-cost-milk program, and the homemade-mattress program, the abundance of the farms is being put to use instead of being allowed to go to waste. Similar programs are in effect in greater or less degree in a number

of South American countries, notably Argentina, Uruguay, Brazil, and Chile. In England, the government is subsidizing consumption of certain foods so as to make sure that the population is as well nourished as possible during the time of stress, and to keep the prices as near as possible to the prewar level. Among the kinds of food subsidized are flour, bread, meat, tea, oatmeal, milk, and orange juice.

Is it not time to recognize that minimum standards of nutrition are as important for growing children as minimum standards of education? Is it not just as important that children should have sound and healthy bodies as that they should have trained minds? If we can afford \$100 a year to educate a child, can't we afford \$15 or \$20 a year to keep that child physically fit for study?

If there is general recognition of this principle, then vast new markets for the world's production can be opened up. Perhaps the various countries can do still more than they have already done with relief distribution programs based primarily on their own domestic products. In certain instances these could be supplemented with foreign-grown products. For example, we could exchange our pork and lard and flour for South America's tropical fruits and cocoa. In terms of the residual balance, the cost of such a program may be less than the financial loss coming from demoralized raw-material markets, needy producers and hungry consumers.

In the field of food, minimum standards would mean that vastly increased quantities of dairy products, poultry products, meat, fruits, and vegetables would have to be produced. This would mean a shift from the production of staples such as wheat.

Perhaps the heavily populated countries of Europe can reorganize their own agriculture along those lines. This would mean a higher standard of living for their own people, and would restore to producing countries elsewhere the job of producing the wheat that is needed.

I do not mean to imply that I consider such mechanism as the food-and-cotton-stamp plans the final answer to the problem of assuring an economy of abundance. In that part of the world where democracy and capitalism prevail, the permanent answer lies in finding ways to make our system of production and exchange work more effectively and more consistently. That can be done by removing trade barriers, and enlarging markets; by stimulating and guiding investments where they can be productive; by reducing—through appropriate fiscal policy and social-security program—the inequalities in incomes, so that a higher and more stable demand for consumers' goods will be attained; by applying advanced techniques and skills to the development of undeveloped areas; by re-

equipping our own industrial and transportation system; and by providing to those people in greatest need better housing, schooling, and recreation.

Most people do not want charity. They want paying jobs. They will be able to have paying jobs, with few interruptions, if prices, production, and purchasing power can be held in balance with one another, and the economic machine can be kept running steadily and smoothly. This is the challenge to the leaders of industry, agriculture, labor, and government. It is a challenge to the highest statesmanship of our own and other nations. Of course there are difficulties and obstacles. Only by recognizing and studying obstacles can they be surmounted.

A "new order" is truly waiting to be created—not the "new order" which the Nazis talk about and which would cloak the new form of slavery they would impose, but a new order of democracy where security, stability, efficiency, and widely distributed abundance would prevail.

Many persons in the United States are deeply disturbed over the heavy government borrowing and the drastic shifts in our economy made necessary by the defense program. They fear an end of the war almost as much as the war itself, because they believe the return of peace would bring another bad depression. But one of the hopeful signs for the future is the very fact that the possibility of depression is so widely recognized. This increases the chance that action will be taken in time to prevent it or at least to cushion the shock. The basis for such action can best be laid now, while the war is still in progress. It must be laid, at least in part, in the plans for expanding and regularizing world trade, world production, world consumption. This is the new frontier, which Americans in the middle of the twentieth century find beckoning them on.

XI: 1942

TO MEN AT ARMS

I HAVE LEARNED something about you during recent months because from time to time on Sundays my son Bob has brought some of you to spend a few hours with us in our home. You have worked hard during the past

three months, but work has just begun. Anyone who works hard finds that by so doing he merely earns the privilege to engage in still more difficult work. It is something like the statement of the famous French philosopher, Pascal, who said that when he knew a little, his small body of knowledge might be represented by a little circle touching the unknown, but when he knew more, his knowledge might be represented by a large circle touching the unknown. And so it is also with the man of action.

We in the United States have proved our outstanding excellence in industrial production. In the military world we have not heretofore cared to excel, because we didn't feel that human progress lay in that direction. But now, because we have to, we will do the job.

Now that we have to fight, we are going to do the job more wholeheartedly than either the Germans or the Japs. We shall beat them at their own game, so that we can earn the right to live peacefully, so that the children of the next generation can grow up in a world of sunshine without the black cloud of dictatorial militarism forever threatening free nations and peaceful human beings.

We hate the dark philosophy which has taken possession more and more of the German and Japanese souls during the past one hundred years. We are out to destroy that philosophy root and branch so that it may never rise again. To do that we must build up a decent philosophy of our own.

You men who are receiving your commissions as second lieutenants will also have the opportunity, I trust, to be, figuratively, captains in the peace effort that will challenge the best that is in all of us when the war comes to an end.

[To new Army officers at Aberdeen Proving Grounds, Aberdeen, Md., April 18, 1942.]

THE PRICE OF FREE WORLD VICTORY

This is a fight between a slave world and a free world. Just as the United States in 1862 could not remain half slave and half free, so in 1942 the world must make its decision for a complete victory one way or the other.

As we begin the final stages of this fight to the death between the free world and the slave world, it is worth while to refresh our minds about

the march of freedom for the common man. The idea of freedom—the freedom that we in the United States know and love so well—is derived from the Bible, with its extraordinary emphasis on the dignity of the individual. Democracy is the only true political expression of Christianity.

The prophets of the Old Testament were the first to preach social justice. But that which was sensed by the prophets many centuries before Christ was not given complete and powerful political expression until our nation was formed as a Federal Union a century and a half ago. Even then the march of the common people had just begun. Most of them did not yet know how to read and write. There were no public schools to which all children could go. Men and women cannot be really free until they have plenty to eat, and time and ability to read and think and talk things over. Down the years, the people of the United States have moved steadily forward in the practice of democracy. Through universal education, they now can read and write and form opinions of their own. They have learned, and are still learning, the art of production—that is, how to make a living. They have learned, and are still learning, the art of self-government.

If we were to measure freedom by standards of nutrition, education and self-government, we might rank the United States and certain nations of western Europe very high. But this would not be fair to other nations where education has become widespread only in the last twenty years. In many nations, a generation ago, nine out of ten of the people could not read or write. Russia, for example, was changed from an illiterate to a literate nation within one generation and, in the process, Russia's appreciation of freedom was enormously enhanced. In China, the increase during the past thirty years in the ability of the people to read and write has been matched by their increased interest in real liberty.

Everywhere, reading and writing are accompanied by industrial progress, and industrial progress sooner or later inevitably brings a strong labor movement. From a long-time and fundamental point of view, there are no backward peoples which are lacking in mechanical sense. Russians, Chinese, and the Indians both of India and the Americas all learn to read and write and operate machines just as well as your children and my children. Everywhere the common people are on the march.

When the freedom-loving people march—when the farmers have an opportunity to buy land at reasonable prices and to sell the produce of their land through their own organizations, when workers have the opportunity to form unions and bargain through them collectively, and when the children of all the people have an opportunity to attend schools which teach them truths of the real world in which they live—when these

opportunities are open to everyone, then the world moves straight ahead.

But in countries where the ability to read and write has been recently acquired or where the people have had no long experience in governing themselves on the basis of their own thinking, it is easy for demagogues to arise and prostitute the mind of the common man to their own base ends. Such a demagogue may get financial help from some person of wealth who is unaware of what the end result will be. With this backing, the demagogue may dominate the minds of the people, and, from whatever degree of freedom they have, lead them backward into slavery.

The march of freedom of the past 150 years has been a long-drawn-out people's revolution. In this great revolution of the people, there were the American Revolution of 1775, the French Revolution of 1792, the Latin American revolutions of the Bolivian era, the German Revolution of 1848, and the Russian Revolution of 1917. Each spoke for the common man in terms of blood on the battlefield. Some went to excess. But the significant thing is that the people groped their way to the light. More of them learned to think and work together.

The people's revolution aims at peace and not at violence, but if the rights of the common man are attacked, it unleashes the ferocity of a she-bear who has lost a cub. When the Nazi psychologists tell their master Hitler that we in the United States may be able to produce hundreds of thousands of planes, but that we have no will to fight, they are only fooling themselves and him. The truth is that when the rights of the American people are transgressed, as those rights have been transgressed, the American people will fight with a relentless fury which will drive the ancient Teutonic gods back cowering into their caves. The *Götterdämmerung* has come for Odin and his crew.

The people are on the march toward even fuller freedom than the most fortunate peoples of the earth have hitherto enjoyed. No Nazi counterrevolution will stop it. The common man will smoke the Hitler stooges out into the open in the United States, in Latin America, and in India. He will destroy their influence. No Lavals, no Mussolinis will be tolerated in a Free World.

The people, in their millennial and revolutionary march toward manifesting here on earth the dignity that is in every human soul, hold as their credo the Four Freedoms enunciated by President Roosevelt in his message to Congress on January 6, 1941. These Four Freedoms are the very core of the revolution for which the United Nations have taken their stand. We who live in the United States may think there is nothing very revolutionary about freedom of religion, freedom of expression, and freedom from the fear of secret police. But when we begin to think about

the significance of freedom from want for the average man, then we know that the revolution of the past 150 years has not been completed, either here in the United States or in any other nation in the world. We know that this revolution cannot stop until freedom from want has actually been attained.

And now, as we move forward toward realizing the Four Freedoms of this people's revolution, I would like to speak about four duties. It is my belief that every freedom, every right, every privilege has its price, its corresponding duty without which it cannot be enjoyed. The four duties of the people's revolution, as I see them today, are these:

1. The duty to produce to the limit.
2. The duty to transport as rapidly as possible to the field of battle.
3. The duty to fight with all that is in us.
4. The duty to build a peace—just, charitable and enduring.

The fourth duty is that which inspires the other three.

We failed in our job after World War I. We did not know how to go about building an enduring worldwide peace. We did not have the nerve to follow through and prevent Germany from rearming. We did not insist that she "learn war no more." We did not build a peace treaty on the fundamental doctrine of the people's revolution. We did not strive wholeheartedly to create a world where there could be freedom from want for all the peoples. But by our very errors we learned much, and after this war we shall be in position to utilize our knowledge in building a world which is economically, politically and, I hope, spiritually sound.

Modern science, which is a by-product and an essential part of the people's revolution, has made it technologically possible to see that all of the people of the world get enough to eat. Half in fun and half seriously, I said the other day to Madame Litvinov: "The object of this war is to make sure that everybody in the world has the privilege of drinking a quart of milk a day." She replied: "Yes, even half a pint." The peace must mean a better standard of living for the common man, not merely in the United States and England, but also in India, Russia, China and Latin America—not merely in the United Nations, but also in Germany and Italy and Japan.

Some have spoken of the "American Century." I say that the century on which we are entering—the century which will come out of this war—can be and must be the century of the common man. Everywhere the common man must learn to build his own industries with his own hands in a practical fashion. Everywhere the common man must learn to increase his productivity so that he and his children can eventually pay to the world community all that they have received. No nation will have

the God-given right to exploit other nations. Older nations will have the privilege to help younger nations get started on the path to industrialization, but there must be neither military nor economic imperialism. The methods of the nineteenth century will not work in the people's century which is now about to begin. India, China, and Latin America have a tremendous stake in the people's century. As their masses learn to read and write, and as they become productive mechanics, their standard of living will double and treble. Modern science, when devoted wholeheartedly to the general welfare, has in it potentialities of which we do not yet dream.

And modern science must be released from German slavery. International cartels that serve American greed and the German will to power must go. Cartels in the peace to come must be subjected to international control for the common man, as well as being under adequate control by the respective home governments. In this way, we can prevent the Germans from again building a war machine while we sleep. With international monopoly pools under control, it will be possible for inventions to serve all the people instead of only the few.

Yes, and when the time of peace comes, the citizen will again have a duty, the supreme duty of sacrificing the lesser interest for the greater interest of the general welfare. Those who write the peace must think of the whole world. There can be no privileged peoples. We ourselves in the United States are no more a master race than the Nazis. And we can not perpetuate economic warfare without planting the seeds of military warfare.

If we really believe that we are fighting for a people's peace, all the rest becomes easy. Production, yes—it will be easy to get production without either strikes or sabotage, production with the wholehearted co-operation between willing arms and keen brains; enthusiasm, zip, energy geared to the tempo of keeping at it everlastingly, day after day. Hitler knows as well as those of us who sit in on the War Production Board meetings that we here in the United States are winning the battle of production.

I need say little about the duty to fight. Some people declare, and Hitler believes, that the American people have grown soft in the last generation. Hitler agents continually preach in South America that we are cowards, unable to use, like the "brave" German soldiers, the weapons of modern war. It is true that American youth hates war with a holy hatred. But because of that fact and because Hitler and the German people stand as the very symbol of war, we shall fight with a tireless enthusiasm until war and the possibility of war have been removed from this planet.

The American people have always had guts and always will have.

You know the story of Bomber Pilot Dixon and Radioman Gene Aldrich and Ordnanceman Tony Pastula—the story which Americans will be telling their children for generations to illustrate man's ability to master any fate. These men lived for thirty-four days on the open sea in a rubber life raft, eight feet by four feet, with no food but that which they took from the sea and the air with one pocketknife and a pistol. And yet they lived it through and came at last to the beach of an island they did not know. In spite of their suffering and weakness, they stood like men, with no weapon left to protect themselves, and no shoes on their feet or clothes on their backs, and walked in military file because, they said, "if there were Japs, we didn't want to be crawling."

The American fighting men, and all the fighting men of the United Nations, will need to summon all their courage during the next few months. I am convinced that the summer and fall of 1942 will be a time of supreme crisis for us all.

We must be especially prepared to stifle the fifth columnists in the United States who will try to sabotage not merely our war-material plants, but even more important, our minds. We must be prepared for the worst kind of fifth-column work in Latin America, much of it operating through the agency of governments with which the United States at present is at peace. When I say this, I recognize that the people, both of Latin America and of the nations supporting the agencies through which the fifth columnists work, are overwhelmingly on the side of the democracies. We must expect the offensive against us on the military, propaganda and sabotage fronts, both in the United States and in Latin America, to reach its apex some time during the next few months. But in the case of most of us, the events of the next few months, disturbing though they may be, will only increase our will to bring about complete victory in this war of liberation. Prepared in spirit, we cannot be surprised. Psychological terrorism will fall flat. As we nerve ourselves for the supreme effort in this hemisphere, we must not forget the sublime heroism of the oppressed in Europe and Asia, whether it be in the mountains of Yugoslavia, the factories of Czechoslovakia and France, the farms of Poland, Denmark, Holland and Belgium, among the seamen of Norway, or in the occupied areas of China and the Dutch East Indies. Everywhere the soul of man is letting the tyrant know that slavery of the body does not end resistance.

There can be no half measures. North, South, East, West and Middle West—the will of the American people is for complete victory.

No compromise with Satan is possible. We shall not rest until all the

victims under the Nazi yoke are freed. We shall fight for a complete peace as well as a complete victory.

The people's revolution is on the march, and the devil and all his angels cannot prevail against it. They cannot prevail, for on the side of the people is the Lord.

He giveth power to the faint; to them that have no might He increaseth strength. . . . They that wait upon the Lord shall mount up with wings as eagles; they shall run, and not be weary; they shall walk and not be faint.

Strong in the strength of the Lord, we who fight in the people's cause will never stop until that cause is won. [*To the Free World Association, New York City, May 8, 1942.*]

RUSSIA

From North, South, East and West, Americans have come this day to pay tribute to our Russian ally. It is right that we should do so. The Russians have thus far lost in the common cause of the United Nations at least fifty percent more men killed, wounded and missing than all of the rest of the European allies put together. Moreover, they have killed, wounded and captured at least twenty times as many Germans as have the rest of the Allies. In all of Russian history, there is no more striking example of courage and willingness to sacrifice than Russia presents today.

This meeting demonstrates the desire and the determination of the American people to help Russia and help her now. President Roosevelt has told the Army and Navy and all the other war agencies in terms which cannot possibly be misunderstood that help to Russia comes first—up to the limit of shipping possibilities. The American people are solidly behind President Roosevelt in his decision to give Russia priority number one.

It is no accident that Americans and Russians like each other when they get acquainted. Both peoples were molded by the vast sweep of a rich continent. Both peoples know that their future is greater than their past. Both hate sham. When the Russian people burst the shackles of Czarist absolutism, they turned instinctively to the United States for engineering and agricultural guidance. Thanks to the hunger of the Russian people for progress, they were able to learn in twenty-five years that which had taken us in the United States one hundred years to develop.

The first person to sense the eventual significance of Russia and the

United States was the French author, Tocqueville. One hundred seven years ago he wrote:

"There are at the present time two great nations in the world which seem to tend towards the same end, although they start from different points. I allude to the Russians and the Americans. . . . Their starting point is different and their courses are not the same, yet each of them seems to be marked by the will of heaven to sway the destinies of half the globe."

Russia and the United States today are far closer than Tocqueville could possibly have imagined when he traveled across the United States in 1835. The continental position of both countries and the need for developing rich resources unmolested from without have caused the peoples of both nations to have a profound hatred of war and a strong love of peace.

We in the United States honor Maxim Litvinov, when we recall how as Foreign Minister of Russia he worked for "collective security." Litvinov, in those days when Hitler was rising to power, wanted to preserve the peace by banding together the non-aggressor nations so they could take a decisive stand against any ruthless nation that might be out for loot. He saw Russia bounded by fourteen different nations, many of which were unfriendly for definite historical reasons. He knew that Germany would use one or more of these nations against Russia when she attacked. Litvinov failed for a time, but now he has come into his own again because he was right.

Russia has had her bitter experience with isolationism. So also has the United States. In 1919 Republicans and Democrats alike sought through a League of Nations to express their belief in the collective security of that day. Taft, Hughes, Hoover, Lowden, and Root all wanted a League. Then isolationism came out of its cave and not only killed any possibility of our entering the League, but made it certain that we would adopt international policies which would make World War II almost inevitable.

Both Russia and the United States retreated into isolationism to preserve their peace. Both failed. Both have learned their lesson.

Russia and the United States have had a profound effect upon each other. Both are striving for education, the productivity and the enduring happiness of the common man. The new democracy, the democracy of the common man, includes not only the Bill of Rights, but also economic democracy, ethnic democracy, educational democracy and democracy in the treatment of the sexes.

The ferment in the world today is such that these various types of

democracy must be woven together into a harmonious whole. Millions of Americans are now coming to see that if Pan America and the British Commonwealth are the warp of the new democracy, then the peoples of Russian and Asia may well become its woof.

Some in the United States believe that we have overemphasized what might be called political or bill-of-rights democracy. Carried to its extreme form, it leads to rugged individualism, exploitation, impractical emphasis on states' rights and even to anarchy.

Russia, perceiving some of the abuses of excessive political democracy, has placed strong emphasis on economic democracy. This, carried to an extreme, demands that all power be centered in one man and his bureaucratic helpers.

Somewhere there is a practical balance between economic and political democracy.

A third kind of democracy, which I call ethnic, is in my opinion vital to the new democracy, the democracy of the common man. Ethnic democracy means merely that the different races and minority groups must be given equality of economic opportunity.

The fourth democracy, which has to do with education, is based fundamentally on belief in ethnic democracy. It is because Stalin pushed educational democracy with all the power that he could command that Russia today is able to resist Germany. The Russian people for generations have had a great hunger to learn to read and write, and when Lenin and Stalin gave them the opportunity, they changed in twenty years from a nation which was ninety percent illiterate to a nation of which nearly ninety percent are able to read and write.

With regard to the fifth democracy, the treatment of the sexes, most of us in the United States have felt complacent. It has taken the war experience of Russia to demonstrate the completeness of our failure. The Russian Revolution gave equality of economic opportunity to women. Those who have visited Russia recently say that about forty percent of the work in the factories is being done by women. The average woman does about as much work as the average man and is paid as much. Thousands of Russian women are in uniform, either actively fighting or standing guard. We in the United States have not yet in the same way as the Russians called on the tremendous reserve power which is in our women, but before this war is over, we may be forced to give women their opportunity to demonstrate that with proper training they are equal to man in most kinds of work.

The old democracy did not serve as a guarantee of peace. The new democracy in which the people of the United States and Russia are so

deeply interested must give us such a guarantee. This new democracy will be neither Communism of the old-fashioned internationalist type nor democracy of the old-fashioned isolationist sort. Willingness to support world organization to maintain world peace by justice implemented by force is fundamental to the democracy of the common man in these days of airplanes. Fortunately, the airplanes, which make it necessary to organize the world for peace, also furnish the means of maintaining peace. When this war comes to an end, the United Nations will have such an overwhelming superiority in air power that we shall be able speedily to enforce any mandate whenever the United Nations may have arrived at a judgment based on international law.

The first article in the international law of the future is undoubtedly the United Nations' Charter. The United Nations' Charter includes the Atlantic Charter, and there is little reason why it should longer be called the "Atlantic Charter" in view of the fact that the broader instrument has been validated by thirty nations.

This United Nations' Charter has in it an international bill of rights and certain economic guarantees of international peace. These must and will be made more specific. There must be an international bank and an international TVA, based on projects which are self-liquidating at low rates of interest.

In this connection, I would like to refer to a conversation with Molotov, when he was here last spring. Thinking of the unemployment and misery which might so easily follow this war, I spoke of the need for productive public-works programs which would stir the imagination of all the peoples of the world and suggested as a starter a combined highway and airway from southern South America across the United States, Canada, and Alaska, into Siberia and on to Europe, with feeder highways and airways from China, India, and the Middle East. Molotov's first reaction was, "No one nation can do it by itself." Then he said, "You and I will live to see the day."

The new democracy by definition abhors imperialism. But by definition also, it is internationally minded and supremely interested in raising the productivity, and therefore the standard of living, of all the peoples of the world. First comes transportation, and this is followed by improved agriculture, industrialization and rural electrification. The big planes and skilled pilots which will be ours when the war comes to an end will lead us into a most remarkable future as surely as day follows night. We can make it a future of new democracy based on peace. As Molotov so clearly indicated, this brave, free world of the future cannot be created by the United States and Russia alone.

Undoubtedly China will have a strong influence on the world which will come out of this war, and in exerting this influence it is quite possible that the principles of Sun Yat-sen will prove to be as significant as those of any other modern statesman. The British Commonwealth, England herself, the democracies of northwest Europe, Latin America, and in fact all of the United Nations have a very important role to play. But in order that the United Nations may effectively serve the world, it is vital that the United States and Russia be in accord as to the fundamentals of an enduring peace based on the aspirations of the common man. The American and Russian people can and will throw their influence on the side of building a new democracy which will be the hope of all the world. [*Address at Congress of American-Soviet Friendship, Madison Square Garden, New York City, November 8, 1942.*]

WORLD ORGANIZATION

For the people of the United States, the war is entering its grimmest phase. At home, we are beginning at last to learn what war privations mean. Abroad, our boys in ever-greater numbers are coming to grips with the enemy. Yet, even while warfare rages on, and we of the United Nations are redoubling our great drive for victory, there is dawning the hope of that day of peace, however distant, when the lights will go on again all over the world.

Adolf Hitler's desperate bid for a Nazi world order has reached and passed its highest point and is on its way to its ultimate downfall. The equally sinister threat of world domination by the Japanese is doomed eventually to fail. When the Hitler regime finally collapses and the Japanese war lords are smashed, an entirely new phase of world history will be ushered in. The task of our generation—the generation which President Roosevelt once said has a “rendezvous with destiny”—is so to organize human affairs that no Adolf Hitler, no power-hungry warmongers, whatever their nationality, can ever again plunge the whole world into war and bloodshed.

The situation in the world today is parallel in some ways to that in the United States just before the adoption of the Constitution, when it was realized that the Articles of Confederation had failed and that some stronger union was needed.

Today, measured by travel time, the whole world is actually smaller than was our little country then. When George Washington was in-

augurated, it took *seven* days to go by horse-drawn vehicle from Mount Vernon to New York. Now Army bombers are flown from the United States to China and India in less than *three* days.

It is in this suddenly-shrunken world that the United Nations, like our thirteen American States in 1787, soon will be faced with a fundamental choice. We know now that the League of Nations, like our own union under the Articles of Confederation, was not strong enough. The League never had American support, and at critical moments it lacked the support of some of its own members. The League finally disintegrated under the successive blows of worldwide economic depression and a second World War. Soon the nations of the world will have to face this question: Shall the world's affairs be so organized as to prevent a repetition of these twin disasters—the bitter woe of depression and the holocaust of war?

It is especially appropriate to discuss this subject on this particular date, because it is the birthday of Woodrow Wilson, who gave up his health and eventually his life in the first attempt, a generation ago, to preserve the world's peace through united world action. At that time, there were many who said that Wilson had failed. Now we know that it was the world that failed, and the suffering and war of the last few years are the penalty it is paying for its failure.

When we think of Woodrow Wilson, we know him not only for his effort to build a permanent peace but for the progressive leadership he gave our country in the years before that First World War. The "New Freedom" for which Wilson fought was the forerunner of the Roosevelt "New Deal" of 1933 and of the worldwide new democracy which is the goal of the United Nations in this present struggle.

Wilson, like Jefferson and Lincoln before him, was interested first and always in the welfare of the common man. And so the ideals of Wilson and the fight he made for them are an inspiration to us today as we take up the torch he laid down.

Resolved as we are to fight on to final victory in this worldwide people's war, we are justified in looking ahead to the peace that will inevitably come. Indeed, it would be the height of folly not to prepare for peace, just as in the years prior to December 7, 1941, it would have been the height of folly not to prepare for war.

As territory previously overrun by the Germans and the Japs is re-occupied by the forces of the United Nations, measures of relief and rehabilitation will have to be undertaken. Later, out of the experience of these temporary measures of relief, there will emerge the possibilities and the practicalities of more permanent reconstruction.

We cannot now blueprint all the details, but we *can* begin now to think about some of the guiding principles of this worldwide new democracy we of the United Nations hope to build.

Two of these principles must be liberty and unity or, in other words, home rule and centralized authority, which for more than 150 years have been foundation stones of our American democracy and our American union.

When Woodrow Wilson proposed the League of Nations, it became apparent that these same principles of liberty and unity—of home rule and centralized authority—needed to be applied among the nations if a repetition of the First World War was to be prevented. Unfortunately, the people of the United States were not ready. They believed in the doctrine of liberty in international affairs, but they were not willing to give up certain of their international rights and to shoulder certain international duties, even though other nations were ready to take such steps. They were in the position of a strong, well-armed pioneer citizen who thought he could defend himself against robbers without going to the expense and bother of joining with his neighbors in setting up a police force to uphold civil law. They stood for decency in international affairs, but in the world of practical international politics the net effect of their action or lack of action was anarchy and the loss of millions of lives and hundreds of billions of dollars in a second World War.

The sturdy pioneer citizen, proud of his own strength and independence, needed to be robbed and beaten only once by bandits to be ready to co-operate with his law-abiding neighbors. I believe the United States also has learned her lesson and that she is willing to assume a responsibility proportionate to her strength. England, Russia, China and most of the other United Nations are perhaps even more eager than the United States to go beyond the Charter which they have signed as a declaration of principles. The United Nations, like the United States 155 years ago, are groping for a formula which will give the greatest possible liberty without producing anarchy and at the same time will not give so many rights to each member nation as to jeopardize the security of all.

Obviously the United Nations must first have machinery which can disarm and keep disarmed those parts of the world which would break the peace. Also there must be machinery for preventing economic warfare and enhancing economic peace among nations. Probably there will have to be an international court to make decisions in cases of dispute. And an international court presupposes some kind of world council, so that whatever world system evolves will have enough flexibility to meet changing circumstances as they arise.

As a practical matter, we may find that the regional principle is of considerable value in international affairs. For example, European countries, while *concerned* with the problems of Pan America, should not have to be *preoccupied* with them; likewise Pan America, while *concerned*, should not have to be *preoccupied* with the problems of Europe. Purely regional problems ought to be left in regional hands. This would leave to any federated world organization problems involving broad principles and those practical matters which affect countries of different regions or which affect the whole world.

The aim would be to preserve the liberty, equality, security and unity of the United Nations—liberty in a political sense, equality of opportunity in international trade, security against war and business depression due to international causes, and unity of purpose in promoting the general welfare of the world.

In other words, the aim would be the maximum of home rule that can be maintained along with the minimum of centralized authority that must come into existence to give the necessary protection. We in the United States must remember this: If we are to expect guarantees against military or economic aggression from other nations, we must be willing to give guarantees that we will not be guilty of such aggression ourselves. We must recognize, for example, that it is perfectly justifiable for a debtor, pioneer nation to build up its infant industries behind a protective tariff, but a creditor nation can be justified in such policies only from the standpoint of making itself secure in case of war.

A special problem that will face the United Nations immediately upon the attainment of victory over either Germany or Japan will be what to do with the defeated nation. Revenge for the sake of revenge would be a sign of barbarism. But this time we must make absolutely sure that the guilty leaders are punished, that the defeated nation realizes its defeat and is not permitted to rearm. The United Nations must back up military disarmament with psychological disarmament—supervision, or at least inspection, of the school systems of Germany and Japan, to undo so far as possible the diabolical work of Hitler and the Japanese war lords in poisoning the minds of the young.

Without doubt, in the building of a new and enduring peace, economic reconstruction will play an all-important role. Unless there is careful planning in advance, the return of peace can in a few years bring a shock even worse than the shock of war.

The magnitude of the problem here in the United States, for example, is indicated by the probability that in the peak year of the war we shall be spending something like ninety billion dollars of public funds in the

war effort, whereas two years later we may be spending less than twenty billion dollars for military purposes. In the peak year of the war effort, it is probable that we shall have around ten million men in the armed services and twenty million additional men and women producing war goods for the armed services. It would seem that within the first two years after the peace at least fifteen million of these thirty million men and women will be seeking jobs different from those which they had when peace came.

Our expenditures have been going at a rate fully seven times as great as in World War I and the conversion of our industry to wartime uses has been far more complete. Thousands of thoughtful businessmen and economists, remembering what happened after the last war, being familiar with the fantastic figures of this war, and knowing the severity of the shock to come, have been greatly disturbed. Some have concerned themselves with plans to get over the first year. Others have given thought to the more distant future.

It should be obvious to practically everyone that, without well-planned and vigorous action, a series of economic storms will follow this war. These will take the form of inflation and temporary scarcities, followed by surpluses, crashing prices, unemployment, bankruptcy and in some cases violent revolution. If there is lack of well-planned and vigorous action, it is quite conceivable that the human misery in certain countries after the war may be even greater than during the war.

It is true that in the long run any nation, like any individual, must follow the principle of self-help, must look to its own efforts to raise its own living standards. But it is also true that stronger nations, like our own, can provide guidance, technical advice and in some cases capital investment to help those nations which are just starting on the path of industrialization. Our experience with the Philippines is a case in point.

The suggestions I have made with a view to promoting development and encouraging higher standards of living are necessarily fragmentary at this time. But in some quarters, either knowingly or unknowingly, they have been grossly distorted and misrepresented. During the recent political campaign one member of Congress seeking re-election made the flat statement that I was in favor of having American farmers give away a quart of milk a day to every inhabitant of the world. In other quarters these suggestions have been referred to by such terms as "utopian," "soggy sentimentality," and the "dispensing of milk and honey." But is it "utopian" to foresee that South America, Asia and Africa will in the future experience a development of industry and agriculture comparable to what has been experienced in the past in Europe and North America? Is

it "soggy sentimentality" to hold out hope to those millions in Europe and Asia fighting for the cause of human freedom—our freedom? Is it the "dispensing of milk and honey" to picture to their minds the possible blessings of a higher standard of living when the war is over and their own productivity has increased?

Among the self-styled "realists" who are trying to scare the American people by spreading worry about "misguided idealists" giving away our products are some whose policies caused us to give away billions of dollars of stuff in the decade of the twenties. Their high tariff prevented exchange of our surplus for goods. And so we exchanged our surplus for bonds of very doubtful value. Our surplus will be far greater than ever within a few years after this war comes to an end. We can be decently human and really hardheaded if we exchange our postwar surplus for goods, for peace and for improving the standard of living of so-called backward peoples. We can get more for our surplus production in this way than by any high-tariff, penny-pinching, isolationist policies which hide under the cloak of one hundred percent Americanism.

Self-interest alone should be sufficient to make the United States deeply concerned with the contentment and well-being of the other peoples of the world. Such contentment will be an important contribution to world peace, for it is only when other peoples are prosperous and economically productive that we can find export markets among them for the products of our factories and our farms.

A world family of nations cannot be really healthy unless the various nations in that family are getting along well in their own internal affairs. The first concern of each nation must be the well-being of its own people. That is as true of the United States as of any other nation.

During the war, we have full employment here in the United States, and the problem is not to find jobs for the workers but to find workers for the jobs. After the war, it will be vital to make sure that another period of unemployment does not come on. With this end in view, the suggestion has been made that Congress should formally recognize the maintenance of full employment as a declared national policy, just as it now recognizes as national policies the right of farmers to parity of income with other groups and the right of workers to unemployment insurance and old-age annuities.

Full employment is vital not only to city prosperity but to farm prosperity as well. Nothing contributes more to stable farm prosperity than the maintenance of full employment in the cities, and the assurance that purchasing power for both farm and factory products will always be adequate.

Maintenance of full employment and the highest possible level of national income should be the joint responsibility of private business and of government. It is reassuring to know that business groups in contact with government agencies already are assembling facts, ideas and plans that will speed up the shift from a government-financed war program to a privately financed program of peacetime activity.

This shift must be made as secure against mischance as if it were a wartime campaign against the enemy. We cannot afford either a speculative boom or its inevitable bust. In the war we use tanks, planes, guns and ships in great volume and of most effective design. Their equivalents in the defense against postwar economic chaos will be less spectacular, but equally essential. We must keep prices in control. We must have continuity in the flow of incomes to consumers and from consumers to the industries of city and farm. We must have a national system of job placement. We must have definite plans for the conversion of key industries to peacetime work.

When the war is over, the more quickly private enterprise gets back into peacetime production and sells its goods to peacetime markets here and abroad, the more quickly will the level of government wartime expenditures be reduced. No country needs deficit spending when private enterprise, either through its own efforts or in co-operation with government, is able to maintain full employment. Let us hope that the best thought of both business and government can be focused on this problem which lies at the heart of our American democracy and our American way of life.

The war has brought forth a new type of industrialist who gives much promise for the future. The type of business leader I have in mind has caught a new vision of opportunities in national and international projects. He is willing to co-operate with the people's government in carrying out socially desirable programs. He conducts these programs on the basis of private enterprise, and for private profit, while putting into effect the people's standards as to wages and working conditions. We shall need the best efforts of such men as we tackle the economic problem of the peace.

This problem is well recognized by the average man on the street, who sums it up in a nutshell like this: If everybody can be given a job in war work now, why can't everybody have a job in peacetime production later on? He will demand an answer, and the returning soldier and sailor will demand an answer. This will be the test of statesmanship on the home front, just as ability to co-operate with other nations for peace and im-

proved living standards will be the test of statesmanship on the international front.

How thrilling it will be when the world can move ahead into a new day of peaceful work, developing its resources and translating them as never before into goods that can be consumed and enjoyed! But this new day will not come to pass unless the people of the United Nations give wholehearted support to an effective program of action. The war will have been fought in vain if we in the United States, for example, are plunged into bitter arguments over our part in the peace, or over such fictitious questions as government versus business. Such bitterness would only confuse us and cloud our path. How much more sensible it would be if our people could be supplied with the facts and then, through orderly discussion, could arrive at a common understanding of what needs to be done.

I have heard the fear expressed that after the war the spirit of self-sacrifice which now animates so many of our people will disappear, that cold and blind selfishness will supplant the spirit which makes our young men willing to go thousands of miles from home to fight—and die if need be—for freedom. Those who have this fear think that a return of blind selfishness will keep the nations of the world from joining to prevent a repetition of this disaster.

We should approach the whole question, not emotionally from the standpoint of either sacrifice or selfishness, but objectively from the standpoint of finding the common meeting ground on which the people of the world can stand. This meeting ground, after all, should not be hard to find—it is the security of the plain folks against depression and against war. To unite against these two evils is not really a sacrifice at all, but only a common-sense facing of the facts of the world in which we live.

Now at last the nations of the world have a second chance to erect a lasting structure of peace—a structure such as that which Woodrow Wilson sought to build but which crumbled away because the world was not yet ready. Wilson himself foresaw that it was certain to be rebuilt some day. This is related by Josephus Daniels in his book, *The Life of Woodrow Wilson*, as follows:

“Wilson never knew defeat, for defeat never comes to any man until he admits it. Not long before the close of his life Woodrow Wilson said to a friend: ‘Do not trouble about the things we have fought for. They are sure to prevail. They are only delayed.’ With the quaintness which gave charm to his sayings he added: ‘And I will make this concession to Providence—it may come in a better way than we propose.’”

And now we of this generation, trusting in Providence to guide our

steps, go forward to meet the challenge of *our* day. For the challenge we all face is the challenge of the new democracy. In the new democracy, there will be a place for everyone—the worker, the farmer, the businessman, the housewife, the doctor, the salesman, the teacher, the student, the store clerk, the taxi driver, the preacher, the engineer—all the millions who make up our modern world. This new democracy will give us freedom such as we have never known, but only if as individuals we perform our duties with willing hearts. It will be an adventure in sharing—sharing of duties and responsibilities, and sharing of the joy that can come from the give-and-take of human contacts and fruitful daily living. Out of it, if we all do our part, there will be new opportunity and new security for the common man—that blend of liberty and unity which is the bright goal of millions who are bravely offering up their lives on the battle fronts of the world. [*Radio address on the occasion of the 86th anniversary of the birthday of Woodrow Wilson, December 28, 1942.*]

XII: 1943

BUSINESS MEASURES

BUSINESSMEN REALIZE that the shock of this war's end will probably be at least seven times as great as that which was felt beginning in 1920. Peace unplanned could be a disaster worse than war, wrecking business, labor and agriculture throughout the entire world and producing revolution and misery among the millions.

No businessman can plan for the future with any certainty so long as there is the fear of war on the horizon. It is vital, therefore, that the United Nations' covenant must provide the machinery to assure "freedom from fear"—an international peace law, an international peace court and an international peace force. If any aggressor nations take the first step toward rearmament, they must be served at once with a "cease and desist" order and be warned of the consequences. If economic quarantine does not suffice, the United Nations' peace force must at once bomb the aggressor nation mercilessly.

To guarantee the peace, the United Nations will need additional

powers. We must prevent international cartels of the German type and perhaps substitute for them a United Nations agency to restore stable conditions in raw-material markets, on price terms that assure producers fair incomes and promote expanded consumption.

To prevent worldwide unemployment, there will probably have to be a United Nations investment corporation, under whose direction public and private capital can be put to work for worldwide reconstruction. If unemployment could be prevented without the use of government funds, there would be no need for such a corporation. But the postwar impact resulting from the sudden cessation of tremendous governmental spending everywhere in the world will make it absolutely necessary for governmental investment capital to be used on a very large scale to prevent the sudden and complete destruction of the capitalistic system.

This will not necessarily mean the reduction of private initiative. On the contrary, private initiative probably will be increased.

In launching such an investment program, the establishment of a network of globe-girdling airways ought to be the very first order of business.

After the peace of the world has been made secure, it should be possible to internationalize the large airports. The war has already brought the construction of many new airports, most of them for military purposes. With the coming of peace, and the expansion of commercial air service, many more will be needed. Boldness should be the guiding principle in planning a worldwide airport-construction program. When this war ends we shall be only at the threshold of the coming air age. Freedom of the air means to the world of the future what freedom of the sea meant to the world of the past.

Air travel will have an indirect but far-reaching effect on economic development. As people travel from country to country with greater ease, possibilities for utilizing the world's resources will be seen by men of daring and imagination, and they will lead the way in organizing new industrial projects of all kinds.

Boys and girls of the rising generation are already air-minded to a degree which is not possible for most of their elders who grew up earth-bound. Educational courses in the future might well include airplane trips to one or more foreign countries. It is infinitely more important to make the people of the United Nations space-minded for peace than it was for Germany to make its people space-minded for war.

Rivaling aviation in its effect on future business development will be highway transportation. We in the United States can realize from our own experience what highways mean, for highways have been as essen-

tial as automobiles and motor trucks in the transportation revolution in this country in the last three decades.

One great road project which has been under way for nearly twenty years, and which is now within sight of completion, is the 9330-mile Pan-American Highway, extending from Laredo, Texas, to Buenos Aires, Argentina. This highway, known as the "lifeline of the Americas," is a monument to the co-operative spirit of the Western Hemisphere republics.

There will doubtless be a close relationship between airways and highways which follow the same intercontinental routes. To some extent, airports will be located along the highways, and both the airways and the highways will be fed from the same streams of commerce.

Improved transportation will be the key that will unlock the resources of the vast undeveloped regions of the world. We may expect the history of those regions in the next hundred years to parallel our own history in the last hundred years.

One of the great dramas of American history was the winning of the West. Following the War between the States, the railroads crossed the prairies at the rate of a mile a day. Farmers, ranchers, miners, cities, churches and schools followed.

A similar drama, unsung as yet, has been taking place in the Old World, as Russia has been winning her East. Most of Siberia, at the time of the fall of the Czars, was little more than wasteland occupied by Eskimos, herdsmen and political exiles. Less than sixteen million people occupied a land area twice as great as the United States. Today over forty million people live in the same area, with its new Siberian Pittsburghs, Bostons, Detroit. Great power dams, great mines and great factories are operated in a giant new industrial system. On the farms are tractors by the tens of thousands.

What the United States has done and what Russia is doing give a clue to what is possible in such regions as China, Alaska and Latin America.

China has coal, iron and other resources essential for industrial progress, but first must come improvement of agricultural production and transportation. More capital is one of China's primary needs, but even more she is in want of technical skill and guidance to utilize her resources effectively. It is in providing such guidance that the United States and the other United Nations can perhaps be of the most help.

Another region rich with new possibilities of industrial and agricultural development is the great Northwest—including Alaska, western Canada, and the northwestern portion of the United States. To such previously existing industries as fishing, lumbering and mining, the war has added shipbuilding, aluminum production and airplane manufacture. When

peace returns, the Alcan Highway and other new transportation routes will lay the basis for further progress, and, with plenty of water power available, there will be the opportunity for great expansion in all the industries utilizing the mineral and forest resources which abound in the region.

Perhaps most challenging to the imagination of the modern businessman is the vast land of Latin America to the south.

An important point is the degree to which the projects can be made completely self-liquidating. Of course, in a broad sense, a loan to a government may be considered to be self-liquidating if it is used to build up the productive power of the country and results in an increased capacity for repayment. But many of the projects I have in mind would be self-liquidating even in the narrower sense.

The experience of our own Tennessee Valley Authority throws some light on what may be achieved through careful planning and skillful engineering. This experiment in regional planning, begun nearly ten years ago, has been a striking success.

There are practical people in the United States who believe that we have the "know-how" to help many of the poverty-stricken peoples to set their feet on the path of education, manual dexterity and economic literacy. If American missionaries of a new type, equipped with this "know-how," can work in co-operation with a United Nations investment corporation to develop flood-control works, irrigation projects, soil reclamation, rural electrification and the like, it will make possible an expansion in half the area of the world reminiscent of that which was stirring in our own land during its rapid growth from 1870 to 1910.

The new missionaries, if they are to make their dreams come true in a really big way, must be able to grasp the enormous possibilities of combining governmental credit and organization with the drive of private initiative. The possibilities are all there—all just as practical and feasible as the growth of the United States.

To shift successfully from ninety billion dollars a year war production to ordinary peacetime activity will require the greatest resourcefulness and determination, the greatest outpouring of industrial energy, and the finest co-operative spirit among businessmen, farmers, workers, professional people and government officials that this country has ever seen.

Labor must go beyond hours, rates of pay and working conditions and, through the appropriate agency of government, co-operate vigorously with business in programs for full employment.

Agriculture must, through the appropriate agency of government, see that the parity principle now written into law operates justly under

changing conditions of production and is effectively applied to feed the largest number of consumers at a reasonable price.

Businessmen must, in their governmental relationships, go much deeper than the customary consideration of taxes, economy, and disdain for bureaucrats. They must work actively with appropriate agencies of government in the administration of policies which will best increase productive power, balanced by an ever-increasing consumptive power flowing from a prosperous agriculture and from labor fully and productively employed.

The war, with all its hardship and its pain, has brought one blessing—it is providing a job for everybody who wants a job. We should resolve now that victory will not rob us of this blessing.

Much of the task of shifting to peacetime activity will have to rest upon the shoulders of the businessmen. In their task they will have the inspiration of the great progress of technology, accelerated by the war and the nationwide research programs organized by men in the armed services.

If the businessmen are engaged in home construction, they will have many new materials and devices to work with. If they are in automobile manufacturing, they will be able, through the use of aluminum and plastics, to produce cars that are lighter, more efficient, more comfortable and cheaper to operate.

If they are merchants, they will find a host of new products on the market, as the wartime accomplishments in making plastics are translated into peacetime goods. If they are in the food business, they will have the thrill of offering the public many new types of dehydrated and compressed foods, developed by the Army for the convenience of soldiers but adaptable to peacetime use. If they are in aviation, they can look forward to the introduction of the helicopter and the great changes and opportunities this type of plane will bring.

In nearly every country of the world one of the most feasible projects will be construction of low-cost houses on a scale never before contemplated. Few people realize the multitude of construction devices and gadgets of all kinds which are available to make houses livable at lower cost. Here in the United States the possibilities are enormous. The field for new and better rural housing has scarcely been touched. In cities, the problem goes far beyond the matter of slum clearance and rehabilitation of blighted areas. It involves the construction of houses for individual ownership and of houses for rent by those people whose work forces them to shift their residence frequently.

If each of the United Nations will do its duty for its own people on the housing front, a considerable part of the postwar unemployment problem

can be solved. But no matter how far the respective United Nations go with regard to housing projects and the expansion of normal consumption goods industries, there will be wide-scale unemployment unless some united agency is prepared to plan and finance on a self-liquidating basis international airports and similar projects of the greatest significance to the peace and prosperity of the entire world.

With all the initiative and daring of the businessmen, it is doubtful if, in the short time they will have, they can make the ninety-billion-dollar shift by their own efforts alone. They will need the help of government in various ways—the cushioning effect of “dismissal wages” for workers leaving war jobs, of “discharge bonuses” for men leaving the Army and the Navy, of plans for an orderly cancellation of war contracts, of provisions that will encourage the smaller companies to buy the war production plants from the government.

They will need the help of financial and tax policies which favor the maximum of individual incentive, but which do not shut out the rapid flow of government funds when these may be necessary for full employment. They will need the protection of government insurance of business transactions, as so successfully worked out in the guarantee of bank deposits and in the insurance of home mortgages under the Federal Housing Administration.

They will need the protection of the social-security system, broadened and strengthened. Social security is a splendid method of easing the individual worker and the business community over the rough spots. But we should recognize that the United States does not yet have a mature economy, and we should not look to a social-security program as a substitute for dynamic, creative business energy and initiative.

In the situation that will face the United States and the world after the war, one might like to follow this course or that, according to his own personal inclinations. But, as is so often the case in the life of the individual, the decision comes down to a choice between very definite alternatives. On the one hand, the people of our country and of the world will have an opportunity to act boldly and imaginatively to organize the greatest utilization of the world's resources that history has ever seen. On the other hand, we confront the alternative prospect of suffering from a disillusionment like that which began in 1930—a disillusionment which will end inevitably in World War III, if not in a collapse sooner in the form of an epidemic of insurrections and revolutions, or the loss of democracy and the sinking into a state infinitely more static and regimented than the life of the Middle Ages.

The American businessman will rise to the challenge of the air age, to

the challenge of the new frontier, to the infinite possibilities for development not only in our own country, but in the tropics and in Asia. Just as he has co-operated with government in time of war to build planes for the saving of civilization, so will he co-operate with government to make air power the preserver of civilization.

More and more, everyone will recognize that business, labor, agriculture, and government have just one job in their four-way partnership: to lead the common man to full employment, a higher standard of living, and a peace which will be permeated by the exciting spirit of new frontiers. The creative businessman of the future will recognize that, while government will play a large part in opening up these new frontiers, the government activity will be such as not to reduce but to increase the field for private initiative. Better government organization and more individual drive will go hand in hand.

The peace to come will be just as worthy of a supreme effort as the war is now. The men in the armed services are too intelligent to permit a dull, dead, dragging peace which will let the world drift into the maelstrom.

Airplanes and air power have eliminated the old significance of national boundaries. International airports and extensive international air travel will cause the American businessman to think in international terms as never before. The narrow selfishness of the past will more and more seem foolish and harmful. The seas will no longer separate the continents in the way they once did. Information and goods will flow with ever-increasing freedom.

Modern technology, the wings of the air, and the waves of the air mean that the common man will demand and get a better education and a higher standard of living. In serving the common man, the business leader will have opportunities for initiative such as he never dreamed of before.

[Article in American Magazine, March, 1943.]

THE NEW ISOLATIONISM

Today, with the national and world demand for food greater than ever before, we can rejoice at the wonderful organization that the seven million farmers of the United States have built up over the years. We can be thankful for the leadership of more than one hundred thousand farmer committeemen, elected by their neighbors to handle the local administration of the farm production program.

We can be thankful also for the extra fertility stored up in our soil

through the conservation program and for the ever-normal granary. We can be glad that in the years of surplus we piled up seven hundred million bushels of corn and six hundred million bushels of wheat over and above the amount needed for current consumption. Much of this stockpile was sealed in cribs and bins on the farms of the United States. It is this reserve stock of wheat which today gives assurance that we shall have plenty of bread. These reserve stocks of wheat and corn assure us of hundreds of millions of pounds more of meat, milk and eggs than would otherwise be possible. As a result of our large feed stocks, we shall be able in 1943 to produce nearly fifty percent more than the normal number of hogs.

In spite of the unavoidable wartime shortage of farm labor and farm machinery, we can, with the aid of our farmer organization and these reserves of fertility and grain piled up in the past, provide the food that is indispensable to the winning of the war. We can feed our soldiers and sailors, with their big appetites; we can provide at least the necessary minimum of food for our hard-working civilians; and, barring serious drought, we can send to our allies overseas the food that is essential to keep them in the fight. We can be proud that food from American farms helped the Russians win the battles of Stalingrad and Kharkov and helped the British drive Rommel across North Africa.

* * *

After this war is over, it is quite possible that we shall have the same experience as after the First World War. This time, after we have met the problems of the immediate transition from war to peace, we may enjoy a period of good business which may last anywhere from one to five years. There will be at least ten billion dollars in the hands of businessmen, which they can use to replace worn-out equipment and depleted inventories. There will be another ten billion dollars of consumer credit which can be tapped, since the old installment debts will have been paid off and the field will be clear for people to buy on credit again. There will be at least ten billion dollars of purchasing power in individual war savings. Automobiles, tires, furnishings, clothing, homes, all will be worn-out or run-down and needing replacement or repair. The combination of this pent-up demand for goods and the thirty billion dollars or more of unusual purchasing power may produce full activity, or even a runaway boom if preventive measures are not taken. But, while such a period of good business and full employment might possibly last for several years, it still might prove to be temporary, because it would be based on a combination of war-caused factors that are only short-lived.

Unless we take definite steps to insure that sufficient buying power will

be kept up, there will be a decline in both foreign and domestic demand for farm products within a few years after the war ends. If that should happen, farmers will desperately need the kind of help that only the Triple-A machinery can give. That is one reason why it is so important for the farmers to be on guard now, so as not to let their fair-weather friends destroy the Triple-A machinery or public sympathy for the farmer's cause.

If such a period of business decline should set in, not only will farmers desperately need a farm program, but businessmen and laboring men will desperately need a program to restore industrial employment and production.

Thus, on the economic side, the postwar planning that all of us are hearing so much about will probably have to cover three successive phases here in the United States. First will be the shock of transition from war to peace when some form of "separation pay" may be needed for soldiers and war-industry workers until they find jobs. Second will be the period of postwar prosperity, when restraining measures will be needed to prevent uncontrolled inflation and a runaway boom in stocks and land. Third will be the period of threatened decline, when strong action in advance both by private business and by public agencies may be needed to prevent a repetition of 1932 in this country and the rise of another Hitler abroad.

It happens that the Board of Economic Warfare, with which I am connected, is not engaged in postwar planning. That is the function of Congress, the National Resources Planning Board and the State Department. I as an individual, however, have my own ideas, and I believe that national security is our Number One business when we talk about postwar planning.

I am convinced that we cannot have national security if we follow an isolationist or excessively nationalist policy. With our country fighting for her life against aggressor powers on the other side of both oceans, hardly anyone in this country is now willing to admit openly that he is an isolationist. Nevertheless, the country is being flooded with propaganda for new, subtle and therefore dangerous forms of isolationism which, if adopted, would lead straight to World War III.

Here are some of the ways in which the old doctrine is taking new forms:

First: People are being told that a world war every generation is inevitable and that we can have national security only by maintaining the biggest army, the biggest navy and the biggest air force in the world. Even if we could indefinitely stand the expense and the privation of such a program, it would not necessarily protect us. For though we might have the

best and biggest army, navy and air force, other countries might and probably would combine against us. If they formed a combination stronger than our own, they would defeat us.

My view, and I am convinced that it is the majority view of the American people, is that rather than remain an armed camp, waiting for the inevitable World War III, it is more practical for us as a nation to throw the weight of our influence behind worldwide efforts to prevent such a war.

Second: People are being told that anything which is done after this war to improve the standard of living of other countries will lower the standard of living at home.

Of course, while the war is on, the people of this country are making sacrifices, and making them cheerfully, to help our allies Britain and Russia keep on fighting. Doubtless our people will gladly continue these sacrifices for a short period after Germany is defeated, in order to prevent widespread famine in Europe.

But, for the long pull, the most effective assistance we can give is the kind which helps other countries to develop their agriculture and industry, and which at the same time increases our own prosperity. Those who really want to improve the standard of living of the American people know that the United States is now so much a part of the whole world that we can best help Americans by helping the peoples of all the world to help themselves.

The favorite device of the distortionists is to repeat over and over the canard that this government wants to give a quart of milk a day to everyone in the world—evidently on the theory that by frequent repetition this myth will come to be accepted as fact. Among those who spread this myth the most enthusiastically are some isolationist leaders of yesteryear, who for a time were silenced by events, but who now hope to drive the United States back into her old isolationist cave.

I am not urging Ohio farmers or any other farmers to give a bottle of milk a day to Hottentots. This weird and manifestly impossible idea has been peddled up and down the land—why, I will leave it to you to guess.

People of other countries can enjoy higher standards of living when they learn to use their soils and their resources more effectively to produce the things they need. We in the United States can help them learn how to do those things, and also can help build the factories they need to get started. Our technical experts and industrial equipment can aid them to raise their own standards of production and of consumption—and so, along with other good things, have plenty of milk for themselves, producing it from their own pastures through their own efforts.

Third: Another step in what appears to be a campaign of fear is the assertion that our government is preparing to take control of education everywhere in the world. This is nonsense. But all sensible people know that the United Nations in some way must prevent Germany from teaching the Nazi philosophy in the future as a preliminary to launching another German war for world conquest.

Fourth: A movement is already under way to abandon the same tariff policy represented by our reciprocal-trade-agreement program, and go back to the Smoot-Hawley days of building a high-tariff wall around the United States. Economic warfare of the Smoot-Hawley type is the initial step toward military warfare. It leads first to totalitarian control of trade, then to shooting. To win the peace, we must follow through to establish the right kind of international trade relations. We cannot hope to maintain peace by force unless the peace we are maintaining is a just peace.

Fifth: It is urged that, after the war, American aviators ought to be permitted to fly everywhere in the world, but that not a single foreign plane should ever fly over any part of the United States. This astonishing idea seems to be first cousin to the fallacy that we can sell our goods everywhere in the world at the same time that we keep foreigners from selling to us. Many problems are bound up in the question of our postwar relationships with other countries in the field of aviation. We shall never solve them in a constructive way—and in a way that will promote peace instead of war—if we base our approach on such absurd and fuzzy thinking.

Recently I expressed the view that neither political party would want to be opposed to freedom of the seas or freedom of the air after the war. But I find that on January 5, 1943, an opposition leader set the tempo for orthodox opposition thinking with regard to American postwar imperialism when he said: "America must rule the air, and to do this it is necessary for the Congress to plan intelligently for this air supremacy following the war."

This visions an imperialistic fight for air supremacy among at least three great nations in the world—a fight which can end finally only in World War III, or American domination of a type which will eventually make the United States worse hated in the world than the Nazis ever have been. Americans want peace, not war. Americans want sensible world co-operation—not isolationism or imperialism. By common-sense world co-operation the people of the United States will have infinitely more prosperity than in a senseless race for air power.

On this tenth anniversary of the founding of the Triple-A, farmers may well wonder what the next ten years will hold. Will farmers and city

workers both be taken for a joyride on the roller coaster of boomtime prosperity, only to end up in the ditch of a worse depression than before? As soon as the war is won, will shortsighted policy-makers again shut us off from the rest of the world? Will our country fail to grasp this second opportunity to help build a world of peace and co-operation? Will our leaders engage instead in a mad nationalistic race for supremacy on land and water and in the air? Will our country be surrounded with another sky-high tariff wall, as if the world outside did not exist? Will our leaders foolishly and selfishly deny that hunger and want and suffering in the rest of the world are of any concern to us? Will a spineless policy of drift once more lead us straight for the falls?

Even in the midst of war, and the nerve-racking job of producing the necessary food and munitions to win it, these are questions which must be faced. The choices we make, both now and later, will go far to determine what the next ten years, and perhaps the next hundred years, will bring. [*To farmers and representatives of civic organizations, on the Tenth Anniversary of the National Farm Program, Columbus, Ohio, March 8, 1943.*]

THREE PHILOSOPHIES

There are three great philosophies in the world today. The first, based on the supremacy of might over right, says that war between nations is inevitable until such time as a single master race dominates the entire world and everyone is assigned his daily task by an arrogant, self-appointed *Führer*. The second—the Marxian philosophy—says that class warfare is inevitable until such time as the proletariat comes out on top, everywhere in the world, and can start building a society without classes. The third—which we in this country know as the democratic Christian philosophy—denies that man was made for war, whether it be war between nations or war between classes, and asserts boldly that ultimate peace is inevitable, that all men are brothers, and that God is their Father.

This democratic philosophy pervades the hearts and minds not only of those who live by the Christian religion, both Protestant and Catholic, but of those who draw their inspiration from Mohammedanism, Judaism, Hinduism, Confucianism and other faiths. When we look beneath the outer forms, we find that all these faiths, in one way or another, preach the doctrine of the dignity of each individual human soul, the doctrine

that God intended man to be a good neighbor to his fellow man, and the doctrine of the essential unity of the entire world.

Those who think most about individualism preach freedom. Those who think most about unity, whether it be the unity of a nation or of the entire world, preach the sacred obligation of duty. There is a seeming conflict between freedom and duty, and it takes the spirit of democracy to resolve it. Only through religion and education can the freedom-loving individual realize that his greatest private pleasure comes from serving the highest unity, the general welfare of all. This truth, the essence of democracy, must capture the hearts of men over the entire world if human civilization is not to be torn to pieces in a series of wars and revolutions far more terrible than anything that has yet been endured. Democracy is the hope of civilization.

To understand the significance of these three philosophies dominant in the world today, let us look at each one in turn. During the last eighty years, the outstanding exponent of the sacredness and inevitability of war has been Prussia. By nature the common people of Prussia are simple and hard-working, and make excellent citizens except where they have become infected by the Prussian doctrine that might makes right. The Prussian philosophy causes its adherents to practice many of the highest virtues, but these virtues are all ultimately placed at the disposal of supreme evil. Hitler, seizing the Prussian militaristic tradition as a powerful instrument in his hands and putting it to use with his own religious frenzy, has become the anti-Christ of this generation—perhaps the most complete anti-Christ who has ever lived. It is not enough to bring about the downfall of Hitler. We must understand the origin and growth of the Prussian spirit, and do something to counteract that spirit, if we wish to bring permanent peace.

The Prussian attitude toward war and supremacy has strong roots. Whether it reaches back to the days of Caesar or whether it first took form under the guidance of the Teutonic Knights in the Middle Ages, we are certain of this: by the time of Frederick the Great, the Prussians consciously adopted the doctrine of total war and the total state as the chief end of man. Bismarck and Kaiser Wilhelm II modernized and made completely deceitful and ruthless that which Frederick the Great had founded.

Shortly after Kaiser Wilhelm II rose to power, a generation before the First World War, one of the more tender-hearted of the German generals said in addressing his troops: "Our civilization must build its temple on mountains of corpses, an ocean of tears, and the groans of innumerable dying men."

We know now, to our sorrow, that those were not just idle words. But God grant they will not be true much longer.

Bernhardi and Treitschke, through the printed page and through the classroom, preached the glory of war and the necessity of Germany picking a quarrel with England or France. Frederick the Great, Moltke and Bismarck were proclaimed as being superior to Goethe, Schiller, Bach and Beethoven. Hegel laid broad and deep the philosophy of the totalitarian state. Other philosophers, and especially Nietzsche, seized on the Darwinian doctrines of natural selection and survival of the fittest to erect a seemingly scientific but false materialism to justify their ruthless acts.

In saying all of this, I do not mean to indicate that Prussia was the only wicked state in the world. England, France, Russia, Spain and the United States were not always perfect. But Prussia and Japan were the only countries which systematically devoted the highest virtues of their citizenry, generation after generation, to the glorification of the state and to the ruthlessness of war.

In the years since 1848 the liberal culture of the old Germany has been completely submerged by the worship of strength and power. In this period of less than a century, under Bismarck, Kaiser Wilhelm II and Hitler, Germany has launched five aggressive wars.

The result has been that, over the last thirty years, the spirit of Prussianism has cost the lives of at least twenty million men, has crippled at least ten million others, and has caused the nations of the world to squander hundreds of billions of dollars on death, destruction and hate. How different things would have been if this money had been spent instead on peace, prosperity and understanding.

Germans by blood are neither better nor worse than Englishmen, Americans, Swedes, Poles or Russians. But the Prussian tradition of the last century, and especially the Nazi education of the last ten years, have created a psychic entity so monstrous and so dangerous to the entire world that it is absolutely vital to exercise some control over German education when the war comes to an end. Prussian schoolmasters have been of greater importance to the German army than Prussian captains, and Prussian textbooks have had greater value than ammunition. It is the disciplined will to power and the worship of war as the method of power that have made the German army such a terrible instrument of force.

Just as Hitler took the Prussian military tradition and organized it into gangsterism, so he took the Prussian educational system and streamlined it to marshal the millions of German boys and girls behind his evil conspiracy of world conquest. Hitler's children have been trained to believe

implicitly that the state is more important than the individual, and that the individual must be willing and ready to sacrifice himself for the German nation and for the *Führer*. Starting with the young mothers and fathers, married or unmarried, and taking the children through the day nurseries and a series of schools for different ages, Hitler has indoctrinated the German children with what he calls his "leadership principle"—that among men as in nature there is an eternal struggle between the weak and the strong, and that the "decadent" democracies are destined to crumble before the superior might of the Nazi elite. German boys have been systematically trained in brutality. German girls have been systematically trained to believe that their supreme duty is to be mothers, married or unmarried, of children dedicated to the service of the Fatherland and the *Führer*. Through the use of mystic ceremonies—pagan dances, bonfires, sun festivals on mountaintops and many other types of rituals—both boys and girls have been trained to look upon Hitler as divine and they pray to him as God.

The evil influence of this systematic degradation of millions of German boys and girls cannot be counteracted in a short time. Even Hitler's death will not end it, because many of Hitler's children, conditioned as they are, will believe that he is still their leader, in the spirit if not in the flesh. Hitler dead may be almost as dangerous as Hitler alive.

This, then, is the vastly difficult problem with which the United Nations will have to cope if the victory which now is coming closer is to bring more than just a short breathing spell before another Prussian attack is launched upon the world.

It is not up to the United Nations to say just what the German schools of the future should teach; and we do not want to be guilty of a Hitler-like orgy of book burning. But it is vital to the peace of the world to make sure that neither Prussianism, Hitlerism nor any modification of them is taught. There are many cultured German scholars with an excellent attitude toward the world who should be put to work on the job of rewriting the German textbooks in their own way. I believe these men would glorify peace and international honesty, re-establishment of the German culture of Beethoven, Schubert, Schiller, and Goethe, and the gradual preparation of the German spirit for an appreciation of the fact that a Bill of Rights for the individual is as vital as a Bill of Duties toward the state.

Doubtless thousands of German boys will come home from the war bitterly disillusioned of Prussianism and Hitlerism. Thousands of both young and old at home will feel the same way. They will honestly want to help build up a new democratic Germany, and we, without yielding

at all to the old warlike spirit of Prussia, should encourage them to try. We shall need the help of all Germans who give convincing evidence that they do not subscribe to the "master race" myth and are genuinely opposed to the doctrine that might makes right. The re-education we insist upon should not crush out any sincere desire to practice democracy and live at peace among the world family of nations.

It will not be necessary for Americans to teach in the German schools. The all-important thing is to see that the cult of war and international deceit is no longer preached as a virtue in those schools. We cannot countenance the soft, lazy forgetfulness which characterized England and France in their treatment of Germany in the thirties. The cost of such shortsighted appeasement is too great in men and money. We must not go down that mistaken, tragic road again.

All of my discussion thus far has been concerned with Prussianism. Now I want to talk about Marxianism. This philosophy in some ways is the child of Prussianism, because Marx, its high priest, was molded in his thinking by Hegel, the great philosopher of the Prussian state. Marxianism has used the Cheka, just as Prussianism has used the Gestapo, but it has never preached international war as an instrument of national policy. It does not believe one race is superior to another. Many of the Marxian activities of the last ten years which people of the West have most condemned have been inspired by fear of Germany. The Russian people, who are the chief believers in Marxianism, are fundamentally more religious than the Prussians. The great mass of the Russian people is still hungry for spiritual food. The Russians have a better opportunity to find that spiritual food than have the Prussians under their regime, which glorifies the violence of the old Teutonic gods.

This question of religious freedom in Russia has been getting attention from the Church of England and from the Roman Catholic Church in this country. In a recent issue of the magazine *Commonweal*, which surely cannot be said to have Marxian leanings, the managing editor discussed two books by exiled Russians on the status of religion in Russia. Quoting from both books, one written under the auspices of the Church of England, and the other by a professor at Fordham University, the editor came to the conclusion that the position of the Christian Church in Russia has definitely improved.

The future well-being of the world depends upon the extent to which Marxianism, as it is being progressively modified in Russia, and democracy, as we are adapting it to twentieth-century conditions, can live together in peace. Old-line Marxianism has held that democracy is mere words, that it serves the cause of the common man with platitudes rather

than with jobs, and that belief in it results in a weak governmental organization. And we who believe in democracy must admit that modern science, invention and technology have provided us with new bottles into many of which we have not yet poured the wine of the democratic spirit.

In some respects both the Prussians and the Russians have perceived the signs of the times better than we—and I hope that reactionary politicians will not quote this sentence out of its context, in an effort to prove that I have come out for dictatorship. The fact is that the Prussians have done an effective job of making their bureaucrats efficient in co-ordinating the social forces in the service of the state. The Russians have put great emphasis on serving and gaining the enthusiastic adherence of the common man. It is my belief that democracy is the only true expression of Christianity, but if it is not to let Christianity down, democracy must be tremendously more efficient than it has been in the service of the common man and in resistance to selfish pressure groups.

After this war is over, the democratic capitalistic nations will need to prove that they are supremely interested in full employment and full utilization of natural resources. They will need to demonstrate that the consuming power of their people can be made to equal their productive power. The right to work at a regular job and for a decent wage is essential to the true dignity of man.

If the Western democracies furnish full employment and an expanding production, they need have no fear of a revival of old-line communistic propaganda from within. If they do not furnish full employment, communistic propaganda of this kind is inevitable and there is nothing which the Russian government or our government or any other government can do to stop it. In the event of long-continued unemployment, the only question will be as to whether the Prussian or Marxian doctrine will take us over first.

I believe in the democratic doctrine—the religion based on the social message of the prophets, the heart insight of Christ, and the wisdom of the men who drew up the Constitution of the United States and adopted the Bill of Rights. By tradition and by structure we believe that it is possible to reconcile the freedom and rights of the individual with the duties required of us by the general welfare. We believe in religious tolerance and the separation of church and state, but we need to light again the old spirit to meet the challenge of new facts.

We shall decide some time in 1943 or 1944 whether to plant the seeds for World War III. That war will be certain if we allow Prussia to rearm either materially or psychologically. That war will be probable in case we double-cross Russia. That war will be probable if we fail to demonstrate

that we can furnish full employment after this war comes to an end and if fascist interests motivated largely by anti-Russian bias get control of our government. Unless the Western democracies and Russia come to a satisfactory understanding before the war ends, I very much fear that World War III will be inevitable. Without a close and trusting understanding between Russia and the United States, there is grave probability after this war is over of Russia and Germany sooner or later making common cause.

Of course, the ground for World War III can be laid by actions of the other powers, even though we in the United States follow the most constructive course. For example, such a war would be inevitable if Russia should again embrace the Trotskyist idea of fomenting worldwide revolution, or if British interests should again be sympathetic to anti-Russian activity in Germany and other countries.

Another possible cause of World War III might rise out of our own willingness to repeat the mistakes we made after World War I. When a creditor nation raises its tariffs and asks foreign nations to pay up, and at the same time refuses to let them pay in goods, the result is irritation of a sort that sooner or later leads first to trade war and then to bloodshed.

The gospel of Christ was to feed the hungry, clothe the naked, comfort the sick and visit those who were in hard luck. He said that treating your neighbor decently was the way to show that you loved God. The neighborhood in Christ's day was a few miles in diameter. Today the airplane has made the whole world a neighborhood. The Good Neighbor policy, whether at home or abroad, is a Christian policy. Those who preach isolationism and hate of other nations are preaching a modified form of Prussian Nazism, and the only outcome of such preaching will be war.

If we want peace, we must treat other nations in the spirit of democratic Christianity. We must make our religion practical. In our relations with China, for example, we must act in such a way as to enhance the material as well as the spiritual well-being of her people. So doing will not only be of spiritual advantage to ourselves, will not only do much to prevent war, but will give us more material prosperity than we can otherwise enjoy. And in saying this, I do not speak of the missionary spirit as a forerunner of a new imperialism.

Nearly half the people of the world live in eastern Asia. Seven-eighths of them do not know how to read and write, but many of them listen to the radio and they know that the world is on the move and they are determined to move with it. We can at their request help them to move in knowledge toward a higher standard of living rather than in ignorance toward confusion and anarchy.

Throughout history, every big nation has been given an opportunity to help itself by helping the world. If such an opportunity is seized with a broad and generous spirit, an infinitude of practical possibilities opens up. Thousands of businessmen in the United States have seen this kind of thing happen on a smaller scale in their own businesses, as their broad and enlightened policies have increased their prosperity and given jobs to their neighbors. Christianity is not star-gazing or foolish idealism. Applied on a worldwide scale, it is intensely practical. Bread cast upon the waters does return. National friendships are remembered. Help to starving people is not soon forgotten. We of the United States, who now have the greatest opportunity that ever came to any people, do not wish to impose on any other race or to thrust our money or technical experts or ways of thought on those who do not desire them. But we do believe that if we measure up to the responsibility which Providence has placed on our shoulders, we shall be called on for help by many peoples who admire us. When we respond to this cry for help, we shall be manifesting not only a Christian spirit, but also obeying a fundamental law of life.

We of the Western democracies must demonstrate the practicality of our religion. We must extend a helping hand to China and India; we must be firm and just with Prussia; we must deal honestly and fairly with Russia and be tolerant and even helpful as she works out her economic problems in her own way; we must prove that we ourselves can give an example, in our American democratic way, of full employment and full production for the benefit of the common man.

By collaborating with the rest of the world to put productive resources fully to work, we shall raise our own standard of living and help to raise the standard of living of others. It is not that we shall be taking the bread out of the mouths of our own children to feed the children of others, but that we shall co-operate with everyone to call forth the energies of everyone, to put God's earth more completely at the service of all mankind. [*To a Conference on Christian Bases of World Order, at Ohio Wesleyan University, Delaware, Ohio, March 8, 1943.*]

In March the Vice-President flew to South America as the President's representative on a good-will tour. It was a forty-day trip of 11,833 miles, with twenty-four landings and take-offs. He visited the presidents of eight Latin American countries; and the reception accorded him by the people was extraordinarily ardent. Two things especially endeared him, it seems, to the Latin Americans: his ability to speak to them adequately in their own language and his eager interest in their agricultural problems and achievements, particularly as to corn. One does not ordinarily think of Wallace as apt in the pretty flatteries of diplomatic usage; but when he speaks in Spanish something

that is at once sincere and gracious comes naturally into his style, and his respect and affection for Latin American character and qualities are real. Press comment, even in countries where the populace inclines to be of two minds about North Americans, was almost embarrassingly admiring. He was compared to both Jesus Christ and Lincoln.

He traveled with Hector Lazo, of the Board of Economic Warfare, and Larry Duggan of the State Department. Leaving Miami on March 16, they flew to Santiago, Chile, with stops at Costa Rica, Panama, Colombia and Peru en route. At Costa Rica the Vice-President dedicated an Institute of Tropical Agriculture which he had helped to establish as Secretary of Agriculture, and spoke at some length on experiments to develop disease-resistant rubber plants there. From there on, he confined himself to short addresses, all delivered in Spanish; and of these he would deliver as many as four or five a day. No record was made of many of his South American speeches; but from those which were recorded Mr. Lazo provides the following excerpts, translated from Spanish:

THE LATIN AMERICANS

To the Costa Rican Congress—These moments in which we live today require brevity. I shall therefore not try to analyze the Four Freedoms proclaimed in President Roosevelt's speech of January 6, 1941, but shall speak only of the one which in my estimation offers in itself a basis for the reconstruction of the world.

Freedom from want does not represent solely an emotional impulse. In order to attain freedom from want we must follow the dictates of reason. Only well-defined economic laws proven and established through the centuries, justly and sensibly applied, can liberate the world from want.

In order to attain freedom from want, the theory of sustained yield and of the free interchange of products between nations must be accepted and followed without artificial bounds. This does not mean that we desire an economy based upon a single product. The success of interchange will of necessity bring about industrialization, ability to import, and the establishment of a system of savings for the people whose savings constitute natural wherewithal for increased production. In such an economic system health, strength and happiness have a common denominator in adequate diet. A knowledge of adequate diets must be taught by all governments to all their peoples.

After the war there will be a tremendous productive capacity both in materials and services. This capacity must be used in an orderly fashion for the purpose of interchanging the greatest quantities of goods among

the largest number of people in the world. This immense worldwide productive capacity must not be looked upon as an evil; as a matter of fact, it will be the greatest blessing of mankind. Only by means of this productive capacity will we be able to attain a lasting peace and a Christian democracy. A large interchange of products must be obtained without exploiting the small peoples or foreign territories. The exploitation of any people or any land makes freedom from want impossible for that people or that land.

With the passage of time the world will become more and more interdependent. Nations are not different from individuals, and thus when an individual must depend upon his neighbor he in turn is bound to his neighbor for the necessities of life. This mutual and reciprocal service is bound to result in peaceful relationship.

The needs of our neighbors are quite apparent. The need for a friendly understanding towards each other can be converted into a custom and habit; the worldwide need for clean and fair play is imperative; in short, the Good Neighbor Policy. Automatically, good neighbors will try to understand each other's customs, each other's language, each other's hopes, each other's fears. All the neighbors of the world will try to augment respect for each other, will fight against illiteracy, will work together to protect and improve the economic position of their neighbors because in such a way those neighbors will not only produce more for the world but they will also be able to buy more of the products of the world. We have now all the elements for a good mutual understanding: the radio allows us free interchange of thought and on a worldwide scale; the airplane makes personal contact swift, easy and economical.

We in this blessed hemisphere who have a common past of love of liberty can and must help the rest of the world to attain the realization of the Christian principles of justice and well-being for all. We must remain united in this great world crusade and we must hold our heads high. We of this hemisphere must make freedom from want a reality on earth.

In Chile—I have always been interested in the political evolution of Chile and have admired the extraordinary political maturity of the Chilean people.

You derive from a splendid past a great capacity, a collective capacity for judging and meeting the tragic realities of these modern times—perhaps the gravest that the Christian world has ever known. We are of the New World, we North and South Americans. The responsibilities that rest upon us are tremendous. We are the repositories of the worth of Western civilization.

This load of responsibility must be borne proportionately by each one

of the countries of the Western world. In my own country this feeling of historic responsibility has penetrated the consciousness of each citizen. Only thus can we explain that in one short year which has passed since we were attacked, a great nation dedicated exclusively to the task of peace has transformed itself today into a united and prepared people dedicated to the eradication from the world of the plague of Nazi-Fascism. To this internal unification of the United States we can now add the unity of the continent of Americas, and together we must march forward.

At the Cornerstone of a Monument to George Washington in Barranquilla, Colombia—It is proper that George Washington should be deeply appreciated in a country where Bolívar recruited more soldiers for his army than in any other nation in South America.

In order that there may be progress, the world will always need revolutionaries but it will also need men of stable character who may be able to direct the national will, not only during days of conflict but also in the trying days of postwar reconstruction, when the flames of national patriotism too often die down; and when private interests so often run riot to produce anarchy and despair.

As President of the Constitutional Convention in 1787, Washington was able through patience to maintain unity and to control the various forces which might otherwise have given too great an importance to individual liberty at the expense of unity of a nation. He created a nation out of anarchy, a nation that stayed united not for one year, not for ten years, but for the centuries to come.

We need the prophetic visions and the genius of Bolívar, but we also need the calm and resolute determination which characterized Washington in the solution of the problems of peace.

In these terrible days of war and in the days of peace to come, may the genius of Washington and of Bolívar light up the path that our great leaders may follow so that our united Americas may in fact be able to point the way to world service and world peace.

At the Tomb of Eloy Alfaro, in Ecuador—This year in which I have the great fortune to visit the Republic of Ecuador we have also celebrated the first century of the birth of Eloy Alfaro, great hero of the continent. I know and admire the memory of Eloy Alfaro. His personal integrity, his stubborn defense of the principles of truth, of justice and of friendship among the nations made of him a true citizen of the Americas. Eloy Alfaro was a rebel and a conspirator—his conspiracy and his rebellions were dedicated to the defeat of hatred, of injustice, of disunity and of tyranny.

At the very moment when life seemed to smile upon him he had the

necessary courage to abandon his fortune in Panama and to return to Ecuador to suffer privation that he might liberate his country. His battles at Esmeraldas and Jaramijo gave him triumph, but that victory was followed by labor of thirty years of constant devotion to the cause of social progress of his country. His liberation of the Indians and his proclamation of equality of the rights of women proved his great vision. The great work of Eloy Alfaro can be summarized in his words so full of self-negation: "Men who are indifferent to the fate of their nation, although they may be privately and individually honorable, are the unconscious aids of the misfortunes and corruptions of the peoples of the world."

The Ecuador of Eloy Alfaro lives today, thanks largely to the harmonizing current of his labors as a great leader and to the very nature of the needs of his country. But perhaps in his foreign policy do we see most clearly the great vision of Eloy Alfaro. His desire to convoke in 1896 an inter-American congress for the purpose of establishing ways and means for the improvement of the standard of living, both material and moral, of the peoples of the continent unfortunately failed of acceptance, but it undoubtedly constitutes one of the strongest links in Pan-Americanism of today.

Response to Welcome: Lima, Peru—I am deeply moved by the cordial welcome that you have extended to me and I am reminded of the words of welcome of the ancient and generous peoples of Peru:

"You have come to your own land, you have come to your own home. You can rest here, for you shall lack nothing."

Throughout the passage of time America has many times turned its eyes to the Peru of the Incas in search of inspiration. At long last I have been able to see with my own eyes the original Andean agricultural terraces, upon which are based the most modern systems of irrigation and of conservation of the soil. Although the actual granaries built by the Incas with such great vision have disappeared, the idea has lived on and has served the government of the United States at the time of one of its gravest economic crises. The Inca granaries were the basis for the ever-normal granary which is destined to have its effects upon the entire economic system of the world.

We have today also as a precious legacy from the Incas, the potato and corn, the "holy plant of the New World." Potatoes and corn form the basis of food of entire nations and they came from you.

But what is even more important, the spiritual contribution of the Inca civilization motivates the world today: I refer to the law of solidarity, to the law of brotherhood of man. This law does not permit any citizen to lack minimum subsistence; this law guarantees the right to obtain help for

all those who can no longer work; this law favors the harmonious development of peoples as such and of the well-being of the individual.

Peru is therefore a living fountain of inspiration, especially in times like these in which we are struggling to establish democracy with equality of economic opportunity and with equality for cultural opportunity for all the peoples of all nations the world over.

At a Military Luncheon, Lima, Peru—It seems to me significant that we are gathered here today almost on the very day of the bicentenary of Thomas Jefferson, author of the Declaration of Independence. Not because he was the author of that famous declaration; nor, as he had hoped, because he had gained fame as the founder of the University of Virginia, do I refer to him today. I want to quote one single sentence that he wrote in the year 1775. Referring to the Revolutionary War he said:

"We are not seeking glory and we are not seeking conquest; we seek today only liberty."

The armies of the United Nations fighting today on the bloody battlefields in all parts of the world are also seeking only liberty. Just as the United States of North America in 1775, and Peru in 1821, these armies must be and will be triumphant, because the Creator has never failed a sincere and honest people in its march toward human freedom. [*April 14, 1943.*]

As chairman of the Board of Economic Warfare, Wallace had been very close to Milo Perkins and his son, George, who had enlisted as a marine flier in his eighteenth year and had died on May 21, 1943, in a power dive crash in Florida. This accounts for the intimate nature of the following address which Wallace gave at Connecticut College for Women on the occasion of the graduation of his daughter, Jean:

GEORGE

As I meet with you here in the midst of life, where there is so much of joy and confidence, I am thinking of a boy. He was such a fine boy, that boy who is now gone. He was a close friend of mine for eight years. Two years ago when he graduated from high school, he came to tell me how much opposed he was to the United States getting into the war. He was a pacifist, almost of the Quaker type, and the dignity of the individual, regardless of race, creed or color, meant everything to him. But he was strong physically, an excellent football player, and a good wrestler, and he had a complete disdain for physical fear. We talked. He said that we

Americans were suckers to get into World War I, that it was not our obligation to get involved twice in a European mess.

I told him I disagreed with him, and why. After sketching out for him Germany's five wars of aggression during the past eighty years, I told him that before we could start to work on the kind of world he wanted, it would be necessary to use force to destroy the power of the aggressor nations—to destroy their power so completely as to make it impossible for them to break the peace again.

George remained a pacifist in his heart, but he became a convert to the necessity of using physical force to fight this particular evil. He was in his second year at a Quaker college when the Japanese attacked at Pearl Harbor. He at once determined to put his strong body and alert mind at the disposition of his government in one of the most dangerous services possible. He wanted to become a dive bomber in the Marines. A month ago he had a day off in Washington. He had just won his wings and the Marines had accepted him for dive bombing duty. I talked with him and his fiancée. They desperately wanted to get married. He still hated war with an ardent hatred. He spoke of the technical difficulties of dive bombing, of how difficult it was to get close enough to hit the mark and yet pull out of the dive fast enough to avoid destruction of the plane. He was leaving that night for Florida to take his last six weeks of training preparatory to getting into active fighting.

Two weeks ago there came from Florida the telegram announcing his death. He and another boy were on a routine "oxygen hop," diving from twenty-thousand-feet altitude; just what happened is not clear, but in any event they never pulled out of the dive.

Two weeks ago today I was with George's parents and with the girl he was to have married. She had received a letter from him written on Wednesday of that week, telling about the flight which he was to take on Thursday and how confident he was of a successful result. The father reminded me that two years previously I had given the boy my photograph with the inscription, "For George, with hope for the future."

Then I remembered that when I convinced the boy of the necessity of eliminating Nazism as a preliminary to building a world of peace, he had been pessimistic about the ability and willingness of the older generation in the United States to measure up to its responsibility.

He never doubted that he and his comrades would defeat the Nazis and the Japs. He had no reservations whatsoever about doing first things first. He was utterly resolved to give his all to make sure of the first part of the program. But with regard to winning the peace, he was less optimistic. The last week he was home he said: "It's all baloney to talk about

this younger generation winning the peace. We won't come to power for twenty years. The same generation that got us into this mess has got to get us out of it. What really matters is not what new thoughts we kids are thinking but what new thoughts you older guys are thinking. You'll be writing the ticket."

George is one of the millions of fine young men who have been killed as a result of this war. Many of you have your George. He may be a son, a brother, a sweetheart or husband, or a boy from the neighborhood. He may be living, he may be dead. The chances are he hates war just as my George did. He hates the necessity of hating in order to do his part toward winning for himself and the world the privilege of life and love.

George had supreme confidence in his generation, but less in my generation. He looked on many of the public men of our time as incipient appeasers. He considered them smallminded and shortsighted. He argued that they were easily frightened by pressure groups, that they were lost in the trees of the political forest, and that they were unlikely to rise to the challenge of the fundamental verities when brought face to face with the job of rebuilding a shattered world. In a letter written shortly before he was killed, George said: "It's after the war that the real fights will start. Plenty of people who couldn't change fast enough to prevent this war still sit in the seats of the mighty. Never forget that they'll be a lot stronger when this is over than they are now. That's the time when we who are doing the fighting will need some real leadership. This war is our job and we are going to win it on the battle fronts, come hell or high water. The really tough job is going to begin after the war when the same forces that got us into this one will be pitted against the men who've got the guts to fight for a world in which everybody can have a chance to do useful work. We kids are depending on you older men not to let this thing happen again. What we're fighting for now must not die in an armistice."

Through George's meteoric life and symbolic death, I was forced into a more complete appreciation of the meaning of the death of Christ to his disciples. Something bright and shining and full of hope had passed from the world. It just couldn't be. Death couldn't end all. Christ must live. He must live in the world forever. Somewhere there must be a perpetual song of resurrection, ringing forth continuously the message of peace and good will. And now I conclude this vivid personal experience by saying: May it so be that my George, your George, and all those who have sacrificed their lives will so inspire us to effective action that they will not have died in vain. May many Georges live to hold my generation to account in building the peace, and to build upon that peace in such a

way that the Georges of thirty years hence will treat, with reverence and love, the sacred values bought for them by death. May your children and my grandchildren be there greeting each new day in joy, confidence and creative endeavor.

George was right when he said that my generation will have the immediate responsibility for building the right kind of peace. But, as the years go on, that responsibility will pass to those who are young people now, to those who are in the armed services, to those who are graduating from college this year. No matter how wise the patterns of the peace set by the older generation, action within this framework will be the increasing responsibility of the younger generation. Day-to-day and month-to-month modifications will be necessary to make the peace a live and dynamic contribution to human welfare.

The individual graduate of this particular college sitting before me on this June morning has perhaps a hundred thousand graduating companions in the United States this spring. It has cost not merely many thousands of dollars, but an infinitude of loving care to bring you to this stage of life. Only one out of twelve of our American boys and girls is given the privilege of graduating from college. Much will be expected from those to whom much has been given. In an astonishingly short time many of you will begin to have influence in your respective communities. On you will fall the heavy burden of the day-to-day job of maintaining a just peace, ten or twenty years from now when the memories of this vile war have faded and new and difficult economic problems have arisen.

Maintaining a peace is like keeping a garden in good order. You have to work at it day in and day out, otherwise the rains wash away the soil, and the weeds get so deeply rooted that it is impossible to pull them out without destroying many good plants as well.

If we are not to break faith with the boys who have died, we must invent better machinery for weeding the world garden. First, and above everything else, we must have an intense desire to make this machinery succeed. We can then work out the details of disarming aggressor nations, of preventing the exploitation of small, weak nations, and of seeing to it in the future that no aggressor nation can again start on the path which leads to breaking the peace of the world.

We must appeal to the Axis youth, especially German youth, and if possible get their co-operation. The task of all the peace-loving peoples will be to build into the next generation the knowledge and character required to maintain a just and lasting peace.

The present false attitude of the German people toward war finds its

roots in the Prussian school system and especially in the type of militaristic education which became more prevalent as a reaction to defeat by Napoleon. The Danish educator Grundtvig, writing in 1838, predicted that German education would finally kill the Germans. He pointed out that following the Napoleonic wars the German schools, which he called schools of death, had been teaching the youth to believe that the Germans were better than anyone else, that the rest of the world existed to serve them and be dominated by them, and that their will should be imposed on the rest of the world by force.

When the education of youth goes wrong, sooner or later all goes wrong. There had existed in Germany a fine, liberal tradition. There had lived men like Luther with his emphasis on freedom, Kant with his message on peace, Goethe with his belief in international understanding and co-operation, and Beethoven, who early in the Napoleonic wars thought a new day of liberty was being born. Out of the culture fostered by these men, and many others like them, came Carl Schurz and the other German liberals of that era who contributed so vitally to the building of many progressive communities in the Middle West of the United States. Not all the liberal Germans left Germany, but those who remained—they, their children and their grandchildren—were subject to the increasing tyrannies of Bismarck and Hitler.

I believe that in the prevention of World War III—in keeping faith with the boys who have given their lives—much will depend on just how we handle the German youth immediately following this war. I think of the experience of a man who today is a professor in one of our American universities but who in World War I, as a boy of seventeen, had spent just a few months in the German army when peace came. With thousands of other German boys, he immediately set out to finish his education. He described to me a few days ago how most of the German students, in the winter of 1918-1919 and the years that followed, felt liberated from the terror of war and from the routine of army life. They were hungry for spiritual food. Living on the poorest quality of black bread, eating in soup kitchens, and studying at night in cold rooms, they were bound together by hardship but buoyed up by the faith that they would rebuild themselves through books toward spiritual understanding and a new order—a democratic order. They knew that Germans had lost in the external world, but they dreamed of creating a rich internal world to replace the loss. They eagerly hoped for a lasting peace. They demonstrated this at Munich in 1921, when they gave a tumultuous welcome to the Indian poet, Rabindranath Tagore.

But, according to my German professor friend, the Allied powers had

no interest in the glorious hopes among the German university youth of that day. The Allies provided no incentive for education in democratic traditions. And so the German youth fell into the hands of retired army generals, monarchist professors and politicians. Thus the way was prepared for Hitler and Goebbels to return German education to the teaching of racial superiority, war and death.

We must not repeat the mistakes made by the Allies after World War I. This time we must see that the defeat of Germany is complete. The Germans themselves will probably wreak vengeance on their Nazi overlords. In any event, we must see that the guilty are dealt with as they deserve. And we must not again fail the German young people who, in the depth of their material hunger and misery, will have a great philosophic and spiritual hunger. That these strong and despairing emotions may be guided toward a good end is a matter of supreme importance for the world.

The German postwar youth of World War II need not be forced to embrace any specified form of government, whether communism, or a new type of totalitarianism, or even the particular type of democracy which we have. We shall not need to send schoolteachers from the United States into the German schools, but we can make sure that the liberal element in Germany has an opportunity to replace the Nazi school books and the Nazi methods of teaching.

I am a great believer in the Danish folk high school and the Scandinavian systems of co-operation. I believe they are well adapted to the German situation, once militarism and totalitarianism are stamped out. A considerable segment of the German people has long admired the emphasis placed on peace, co-operation and fruitful work by the various Scandinavian countries. The German youth must be encouraged to develop a peaceful, worth-while purpose in life. I believe there are Germans who are steeped in the German liberal tradition and the ideals of Scandinavian co-operation, to whom this job can safely be entrusted.

Not only in Germany, but in our own and other countries the type of education which prevails may well determine whether we succeed in building a world of law and order and productive work. Our own educational system has many splendid achievements to its credit, and it can be even more fully adapted to the needs of modern, highly-integrated society.

Working for peace and the general welfare is the essence of all true education and all true religion. It is the Sermon on the Mount in action.

All the schools in the world will have to be reborn after this great conflict, if the boys who have died are not to have died in vain. In the years to come it will be even more important for the schools to teach character than to teach facts. In the teaching of character, the essential thing will be the ability of the teacher to kindle enthusiasm—enthusiasm for knowledge, but especially enthusiasm for the greater good. There is something about the spoken word of the person who is deeply moved inside which carries great conviction. Neither the book nor the radio can ever take the place of the face-to-face contact with the living teacher. May the emphasis on system never stamp out of our schools the personal equation—the communication, by friendship and the power of the spoken word, of a boundless enthusiasm for all the facts of nature and human life which lead to peace and vital living. May the vision of a new and finer and more orderly world animate the teachers of every country. In their hands is the hope of the future.

And in the hands of everyone who is going out into the work of the world—whatever it may be—is the responsibility for keeping faith with those who have died. This is the true commencement, which has come for you here, this June Sabbath day. Commencement time will come to the world when the armies stop marching, when the men return to the factories and fields, and when the statesmen get down to planning in real earnest. Commencement time is a sudden break with the past. It is a new opportunity. There may be disillusionment or fulfillment.

After the First World War many boys came home from overseas, looking for the better conditions that would justify the lives that had been spent. Instead, they found prices skyrocketing and a national fever for making money. There was a sad lack of planning on the part of the statesmen of both parties. Neither domestic nor foreign policies were well thought out. Thousands of these boys were lured into the speculative excitement and were ruined. All of our people have paid a bitter price in the suffering that has followed.

As a nation we decided we were not ready to take on adult responsibilities after World War I. We weren't ready even to graduate from high school, and some of us wanted to go back to the eighth grade. Now, whether we like it or not, we must get out into the world and work. The easy days of sheltered isolation are over. We have grown up. We must live day after day with the family of nations, furnishing our share of leadership, even though we are reluctant to do it. Our feeling of responsibility must match our economic power, or the very magnitude of that economic power will rot us inside and make us a prey either to internal revolutionary forces or external aggression.

Yes, commencement time is here. Responsibility has begun. Life has come upon us. The joys of opportunity and service lie ahead. No generation has ever had such an opportunity. The world has never had such an opportunity. We must make the dead live. We must make them live in the world's commencement of abiding peace based on justice and charity.

[June 6, 1943.]

After the Wallace-Jones incident and the President's rebuke to both, Wallace was scheduled to speak on July 25 before a great labor meeting in Detroit. The speech, which had cleared the White House, contained a somewhat conventional tribute to the President—"the-man-who" sort of thing. Excited friends brought the manuscript to him as it was about to go up for mimeographing, and asked him if he still intended to say *that*. "I don't see why not," he answered. "Though He slay me, yet will I trust in Him," they mocked. Wallace laughed. "Well, I'll tell you what; I'll take that out and do a new first paragraph," he said; and did.

The liberal and radical papers started to make of him a hero and martyr. The conservative papers started to write him off as completely dead timber politically. He seemed more relaxed and tranquil than he had been for years. His Detroit speech, with the new opening paragraph, was the first of a series of pronouncements which within a year made him, while still a loyal lieutenant of the President, the fighting spearhead of the Democratic liberals who do not believe that the New Deal has ended.

AMERICA TOMORROW

Three months ago in South America I found that the lowliest peon looked on President Roosevelt as the symbol of his dearest aspirations in the peace to come. So it is also in China and occupied Europe. I have known the President intimately for ten years and in the final showdown he has always put human rights first. There are powerful groups who hope to take advantage of the President's concentration on the war effort to destroy everything he has accomplished on the domestic front over the last ten years. Some people call these powerful groups "isolationists," others call them "reactionaries" and still others, seeing them following in European footsteps, call them "American fascists." Sooner or later the machinations of these small but powerful groups which put money and power first and people last will inevitably be exposed to the public eye.

My purpose today is to talk about the America of tomorrow. There are some who want to stick to what they would have us believe are the realities of the present. Their quick comeback to any question on our peace objectives is, "We must not discuss anything except the war." There are others who want to stick to what they hold are the realities of the past. They have a stock reply when asked about the peace: "Let us wait and see what England and Russia do before we make our plans."

Both opinions are fighting delaying actions against our destiny in the peace—a destiny that calls us to world leadership. When we as victors lay down our arms in this struggle against the enslavement of the mind and soul of the human family, we take up arms immediately in the great war against starvation, unemployment and the rigging of the markets of the world.

We seek a peace that is more than just a breathing space between the death of an old tyranny and the birth of a new one. We will not be satisfied with a peace which will merely lead us from the concentration camps and mass murder of Fascism into an international jungle of gangster governments operated behind the scenes by power-crazed, money-mad imperialists. Starvation has no Bill of Rights nor slavery a Magna Carta. Wherever the hopes of the human family are throttled, there we find the makings of revolt.

The world was waiting for us to take the initiative in leading the way to a people's peace after World War I, but we decided to live apart and work our own way. Hunger and unemployment spawned the criminal free-booters of Fascism. Their only remedy for insecurity was war. Their only answer to poverty and the denial of opportunity became the First Commandment of the Nazis: "Loot Thy Neighbor."

Much of our propaganda after the First World War proclaimed the ingratitude of our Allies. We had given of our best blood and our separate fortunes only to be labeled the land of Uncle Shylock. We changed it to Uncle Sap and said, "Never again." How many of us after this *second* worldwide scourge of suffering and death will say, "Never again"? Shall it be "Never again" to joining in seeking world peace? Shall it be "Never again" to living alone on an island of false security? Shall it be our *second* retreat from our responsibility in world co-operation?

Ours must be a generation that will distill the stamina and provide the skills to create a warproof world. We must not bequeath a second blood-bath to our children.

World leadership must be more concerned with welfare politics and less with power politics, more attentive to equalizing the use of raw materials of nations than condoning the policies of grab and barter that freeze in-

ternational markets, more interested in opening channels of commerce than closing them by prohibitive tariffs, more mindful of the need for a stable currency among all countries than in high interest rates on loans. World leadership must be more occupied with preventing the political house burners from setting off the fires of revolt than stopping them after they start.

But world co-operation cannot enforce such standards of international justice and security by paper diplomacy and remote control. Our choice is not between a Hitler slave world and an out-of-date holiday of "normalcy." The defeatists who talk about going back to the good old days of Americanism mean the time when there was plenty for the few and scarcity for the many.

Nor is our choice between an Americanized Fascism and the restoration of prewar scarcity and unemployment. *Too many millions of our people have come out of the dark cellars and squalor of unemployment ever to go back.*

Our choice is between democracy for everybody or for the few—between the spreading of social safeguards and economic opportunity to all the people—or the concentration of our abundant resources in the hands of selfishness and greed. The American people have brought a brave and clear conscience to this crisis of all mankind. Every family, every community, feeling the denials and restraints of war, has been forced to search for a bed-rock of faith. And in that tomorrow when peace comes, education for tolerance will be just as important as the production of television. The creation of a decent diet for every family will take as much planning as the building of new cars and refrigerators and washing machines.

Along with Britain, Russia and China our nation will exert a tremendous economic and moral persuasion in the peace. But many of our most patriotic and forward-looking citizens are asking, "Why not start now practicing these Four Freedoms in our own backyard?"

They are right! A fuller democracy for all is the lasting preventive of war. A lesser or part-time democracy breeds the dissension and class conflicts that seek their solution in guns and slaughter.

We cannot fight to crush Nazi brutality abroad and condone race riots at home. Those who fan the fires of racial clashes for the purpose of making political capital here at home are taking the first step toward Nazism.

We cannot plead for equality of opportunity for peoples everywhere and overlook the denial of the right to vote for millions of our own people. Every citizen of the United States without regard to color or creed, whether he resides where he was born or whether he has moved to a great defense center or to a fighting front, is entitled to cast his vote.

We cannot offer the blueprints and the skills to rebuild the bombed-out cities of other lands and stymie the rebuilding of our own cities. Slums have no place in America.

We cannot assist in binding the wounds of a war-stricken world and fail to safeguard the health of our own people. We cannot hope to raise the literacy of other nations and fail to roll back the ignorance that clouds many communities in many sectors of our own nation. Democracy can work successfully for that future which is its predestined heritage only when all people have the opportunity for the fullest education. *The world is a neighborhood*. We have learned that starvation in China affects our own security—that the jobless in India are related to the unemployed here. The Post War Problems Committee of the National Association of Manufacturers (businessmen all) has wisely declared that increased production in other countries will not reduce living standards in the United States. Those twisters of fact who shriek that your Vice-President is a wild-eyed dreamer trying to set up T.V.A.'s on the Danube and deliver a bottle of milk to every Hottentot every morning should read that report. No business prospers without prosperous customers. That is plain common sense.

The average American may not be an expert on all phases of our economic and political life. He may not understand completely the complexities of money and markets. He may never feel completely at home in the intricacies of world trade as they are affected by tariffs and cartels. He may not know too much about parity farm prices and subsidies. But the average American *does* know what happens when inflation comes—when prices rise faster than wages, and he knows that the worst lie of all is that the way to make money is to produce scarcity. The common man in America, and every American soldier overseas, wants free enterprise and full employment. He wants to see the great new war plants converted into plants producing peacetime goods. He knows that he and others have acquired new skills and they should be put to use. The average man of America knows that we can make and consume all goods which make for a higher standard of living. He wants and he must have a job, enough to eat and wear, decent shelter, his own home and automobile, and a chance to educate his children.

He knows that high tariff protection for our markets leads only to retaliation and boycotts by other countries. He knows that no coalition of nations can weather the innumerable impacts of money and trade monopolies. He witnessed the collapse of sanctions under the League of Nations and the growth of dictatorships that appealed to their peoples by promising to free them from economic slavery. He is convinced that na-

tions must be organized by something more than trade pacts and non-aggression treaties. The peace-makers must have more daring and vision than the war-makers.

A year ago I cited the four duties of the people's revolution as I saw them. They were:

1. The duty to produce to the limit.
2. The duty to transport as rapidly as possible to the field of battle.
3. The duty to fight with all that is in us.
4. The duty to build a peace—just, charitable and enduring.

Millions of our people from offices and factories, from farms, mines, oil fields and timber lands, have accepted those duties with typical American courage and fortitude. They are making heroic sacrifices to speed the victory. But if war has its duties, peace has its responsibilities. Three outstanding peacetime responsibilities as I see them today are these:

1. The responsibility for enlightenment of the people.
2. The responsibility for mobilizing peacetime production for full employment.
3. The responsibility for planning world co-operation.

The American press, radio, school and church, free from domination by either government or corporate interest, can hold up to our people the vision of the freedom and abundance of the America that is to be. These great agencies of enlightenment can educate us with regard to the fundamental decencies and understandings which are essential if our power is to be a blessing to the world and not a curse.

Labor is beginning to do its part in enlightening the public. It is beginning to make crystal clear that 97 percent of labor has co-operated 100 percent with our government in the war effort. More and more in the future labor will demonstrate that it can co-operate with both employers and with agriculture in those measures which lead to increased employment, increased production and a higher standard of living. The people of America know that the second step toward Nazism is the destruction of labor unions. There are midget Hitlers here who continually attack labor. There are other demagogues, blind to the errors of every other group, who shout, "We love labor, but . . ." Both the midget Hitlers and the demagogues are enemies of America. Both would destroy labor unions if they could. Labor should be fully aware of its friends and of its enemies.

The second responsibility, that of mobilizing the peace for full production and full employment, will challenge the best brains and imagination

of our industries large and small, our trade associations, our labor unions and our financial institutions.

When the guns stop, America will find itself with the following assets:

1. Manpower by the million; skilled workers from war industries, military manpower and young people coming of working age.
2. The largest industrial plant capacity in the world.
3. The greatest resources both natural and artificial to make peacetime products—and thousands of new inventions waiting to be converted to peacetime use.
4. The largest scientific farm plant in the world.
5. The biggest backlog of requirements for housing, transportation, communications and living comforts.
6. The greatest reserve of accumulated savings by individuals that any nation has ever known.

With such wealth, who says this nation is now bankrupt?

If industrial management can bring the same wisdom in producing for peace that it has shown on many production fronts in the supply program for war, the horizons we face are bright. We have witnessed many evidences of industrial statesmanship, of co-operation with labor to increase production and cut costs. In hundreds of industries the war has demonstrated that management and labor can be friends in the service of the nation.

Our industries, trade associations and lending institutions will open wider the gates of labor's participation. They have the choice of approaching the new world of greatly expanded production with new energies and foresight—or they can hold back and fearfully await the stimulus of their government to expand production and consumption.

Whichever choice they consciously or unconsciously make, I believe they want to do their part in keeping this nation on solid ground when peace comes.

If we are to mobilize peace production in the service of all the people we must completely turn away from scarcity economics. Too many corporations have made money by holding inventions out of use, by holding up prices and by cutting down production.

I believe in our democratic, capitalistic system, but it must be a capitalism of abundance and full employment. If we return to a capitalism of scarcity such as that which produced both 1929 and 1932, we must anticipate that the returning soldiers and displaced war workers will speak in no uncertain terms.

The third responsibility—that of planning world co-operation—will

stem from the open and full partnership between the people and their government.

We will face combustible realities when this struggle has passed. Even now there are millions in Europe and Asia who have only one thought, one question: "When do we eat?" Peace does not come where starvation stays. Peace is a mockery where millions of homeless and diseased are given only the freedom to die. America will have to fill many bread-baskets, help to restore homes and provide medical care here and in other lands before our own peace will be secure.

We know that a combination of countries seeking to limit our air commerce could shut off our international skyways. We know that a gang-ing-up by a group of international cartels at odds with us could wipe out our markets and sow the seeds of war. We know that we cannot close the doors on other nations and not expect them to close their doors on us. We know that imperialistic freebooters using the United States as a base can make another war inevitable.

In that knowledge we can create co-operation or conflict; unity of purpose or under-the-table dealing.

We must continue our teamwork with the British. We must become better acquainted with our new friends, the Russians. We can live peacefully in the same world with the Russians if we demonstrate to ourselves and the world after the war that we have gone in for all-out peace production and total consumer use of our products to bring about the maximum of human welfare.

Shouldering our responsibilities for enlightenment, abundant production and world co-operation, we can begin now our apprenticeship to world peace. There will be heartbreaking delays—there will be prejudices creeping in, and the fainthearted will spread their whispers of doubt. Some blueprints and many programs will be tested and found unworkable. Some men with selfish motives will use the propaganda of protest and the sabotage of delay to promote disunity in peace as they have in war.

But the day of victory for humanity will come just as this night of terror and desolation will pass. Nothing will prevail against the common man's peace in a common man's world as he fights both for free enterprise and full employment. The world is one family with one future—a future which will bind our brotherhood with heart and mind and not with chains, which will save and share the culture past and now aborning, which will work out the peace on a level of high and open co-operation, which will make democracy work for mankind by giving everyone a chance to build his own stake in it.

The challenge and the opportunity to win the battle of the peace has joined mankind. Victory demands our best thought, our best energies and our everlasting faith.

TRANSPORTATION

The history of transportation has been a continuing battle against monopoly controls. From the Granger laws of the 1870's to the present time, the people of the South and the West have fought in State and Federal legislatures and in the courts to harness the railroads to serve the public interests. The battle has been without permanent victory: financial interests, through court appeals, legislative rules of rate-making, corporate manipulations and conspiracies, have continued to exact their tolls. The early victories of the Sherman Antitrust Act have not been vigorously followed up, and new restraints have appeared with the outlawing of the old.

Public transport is again being brought under monopoly control. Competition has already been effectively eliminated in the making of transportation rates. The evil consequences are everywhere apparent:

1. Excessive transportation rates burden agriculture and industry and trade.
2. Non-competitive rates deprive agriculture and industry of the benefits of more efficient and cheaper forms of transportation.
3. Discriminatory rates are keeping the South and the West in a colonial status.
4. Newer forms of transportation are being brought under monopoly control.
5. Monopolistic conditions already present in transportation are fostering monopolies in industry.

These are serious charges. Let us examine them in the light of the known facts.

The people, not only of Texas but of the entire South and West, have experienced the effects of excessive transportation charges—the high cost of the necessities of life and the inability to market the products of their labor. You recall years of plenty when it was impossible to move crops to market because the prices would not bear the cost of transportation. Your grapefruit has rotted on the ground, as have peaches in Colorado and Utah, potatoes in Minnesota and Wisconsin, and other farm products elsewhere. All other elements which affect the farmers' costs go up

and down with changing conditions, but the high-rate barrier remains the same.

The empire of the West and the South which has produced so much of the wealth of the nation has been drained dry by the tolls of monopolies, the most important of which is transportation. Consider what happened to the consumer's dollar spent for representative agricultural products in a typical year. Of every dollar paid by consumers for Texas onions, twenty-eight cents went for transportation and twelve cents went to the farmers. In like manner, out of every dollar spent for Texas cabbage, thirty-six cents went for transportation charges and fourteen cents were paid to the farmers. The growers of Georgia and Carolina peaches received only thirty-one cents in each dollar paid by purchasers; the railroads and other transportation companies received twenty-two cents. These disproportionate and high rates have limited consumption and have penalized the farmer for producing abundantly.

Who makes these excessive rates? There is a widespread misconception that the government or, more particularly, the Interstate Commerce Commission prescribes each and every rate for public transportation. This is not the fact. In reality, the actual transportation charges, with few exceptions, are made by private rate bureaus and conferences of the carriers. In no year during the past ten years did the Interstate Commerce Commission review as many as one percent of the tariffs filed with it; that is, more than ninety-nine percent of the tariffs filed became effective without action by the Commission.

The private rate-making machinery of the railroads is highly organized along geographic lines into three principal territories—Eastern, Southern, and Western. Approximately fifteen railroad associations and conferences determine the freight rates of the country. This private rate-making machinery, which surpasses in size and complexity that of the Interstate Commerce Commission, has arrogated to itself that control over rates which Congress sought to vest in a public agency. With few exceptions, these private rate bureaus determine what transportation rates shall be filed with the Commission, and successfully block at their inception virtually all rate reductions that threaten carrier profits. Although competition in rate-making is the national legislative policy, it is in fact as dead as the dodo.

The second charge is that the elimination of competition between competing forms of transportation has deprived the nation of the benefits of newer and cheaper forms of transport. In an attempt to develop cheaper transportation, the farmers and the businessmen have joined forces in promoting a national system of highways and waterways, and

under the vigorous leadership of President Roosevelt, we have completed a vast network of highways and waterways. More recently public funds have been directed to the development of airways and airports. Public patronage has been responsive to the inherent advantages of these newer forms of transport, particularly to the low-cost appeal of highways and waterways. But the early promise of cheap transportation by highway and by waterway has been largely nullified. Under the slogan of "Equality of Regulation," Congress was persuaded to adopt legislation which placed waterways and highways under the jurisdiction of the Interstate Commerce Commission. The consequences of this legislation were foreseen. Private rate bureaus were developed by motor and water carriers; indeed, these private rate bureaus have been encouraged both by the requirement that carriers publish tariffs and by the minimum rate orders of the Interstate Commerce Commission. Once competing forms of transportation were organized into private rate conferences, agreements and conspiracies were easily promoted. Through conspiracies between motor and rail carrier conferences, motor-carrier rates have been raised to the level of the rail rates. The activities of water-carrier rate conferences have resulted in relating water-carrier to rail rates. In thus eliminating all competition in rates, the public is deprived of the savings from cheap highway and water transport.

Not satisfied with eliminating competition in surface transportation, the railroads have even extended their control to the airways to prevent any competition from the carriage of air cargo. Through an exclusive contract between Railway Express Agency (which is owned by the railroads of the country) and the domestic airlines, air express rates have been maintained far above the competitive level, and the movement of cargo by air has been effectively retarded. Despite the assertion of aviation authorities that cargo planes can be operated at eight to ten cents per ton mile, air express rates are artificially held at eighty cents per ton mile. This rate is five to seven times the rail express rates.

The third charge is that discriminatory rates have helped keep the South and the West in a colonial status.

The people of the West and South have long fought against discriminatory freight rates. They have watched with deep concern the loss of local industries. They have been profoundly discouraged by the futility of their attempts to attract industrial capital. They have watched the continuing drift of the younger generation to regions promising greater opportunities. They have witnessed a reduction of their purchasing power and the loss of their homes and their farms. Despite the abundance with which Providence had blessed the land, they could not produce sufficient

income to cover their costs. They have witnessed a deterioration in the services supplied by the state and local governments, the closing of schools, the neglect of public health and housing, and the delay of sanitation projects. They have become increasingly dependent upon Federal funds for carrying on essential government services. During the war, many of these communities are witnessing what local industry can mean in terms of larger incomes and higher living standards for the whole community, but they are aware that with the coming of peace the old trend of industry to seek productive centers with favorable freight rates will deprive them of this temporary prosperity.

The fourth charge is that the railroads plot to seize control of the newer forms of transportation.

Those who guide the destinies of the railroads and seek to preserve their financial position are not content with the cartel controls which they now exercise over all domestic transportation. They propose to solidify and make permanent their empire through the enactment of legislation designed to permit the creation of a permanent monopoly of public transportation under the control of the railroads. The plot has been sugar-coated to deceive the people. In the name of efficiency and economy, and under the slogan "Preserve the Enterprise System," it is proposed that Congress permit the creation of "integrated transportation systems," each of which would control and operate all rail, motor, water and air transportation facilities throughout large geographic areas. If the railroads are able to establish such regional monopolies controlling air, water and highway rates they will be in position to hand out favors or penalties to every community in the United States. They can determine the location of industry and population. Under such a system they could freeze ancient injustices and stifle new opportunities.

In the light of these facts the people of the West and South are asking insistently—what are we going to do about it? The day of accounting has come. Destructive practices in transportation and suppressive governmental policies under which monopoly thrives must now yield to the needs of the common man. The double talk in legislation which has permitted these conditions to exist must give way to clear and understandable provisions which protect the public. Private rate bureaus and rate-making conferences through which railroad bankers and railroad managers have been able to exact from the people unconscionable rates for rendering an indispensable service must be stripped of their power and their activities confined to legitimate practices in the public interests. A clean-cut declaration of legislative policy must insure to the newer forms of transportation an opportunity to develop without suppression. Com-

petition must be restored. Our greatest need is to recast our transportation laws to insure the utmost development of each form of transportation. Thereby present and prospective monopolistic controls will be broken; regional rate discriminations will disappear; and transportation will then truly serve the public interest. [*To a meeting sponsored by civic and labor groups, Dallas, Texas, Oct. 20, 1943.*]

WE MUST SAVE FREE ENTERPRISE

Conversion of industry to all-out war was the dominant necessity in December of 1941. In the peace to come, reconversion to all-out production of peacetime goods will be our crying need. The way in which we handle the reconversion will determine whether we go the route of government control, monopoly control or free private enterprise. Granting that there is a place for a certain amount of governmental control and even supervised monopoly, I propose in this article to back the thesis that for full employment we must encourage the little man with a big idea.

The little man, bursting with initiative, has certain fears concerning war, peace, government, monopoly, debt and taxes. He looks at the war debt and sees it moving at a daily rate of \$200,000,000 toward a total of \$200,000,000,000 in 1944. Somebody will have to pay for this, and he fears the taxation will be so heavy that he dare not take a risk.

He fears that the large government plants may be taken over by monopoly groups or operated by the government itself. In the reconversion of his plants to peacetime pursuits, he fears the dead hand of priority and the allocation of materials. This problem is particularly perplexing, for his future economic well-being may depend upon the formula which will distribute materials essential to his operations during the transitional period of scarcity which will accompany demobilization.

The small businessman especially fears that, in the stampede for raw materials, he will be elbowed and choked out of the market as he was elbowed and choked out of the major branches of war production. Let it not be forgotten that the Smaller War Plants Corporation came into the picture two years too late, and that a broad section of American small business died, unnecessarily. The small businessman has witnessed and felt the impact of war more keenly than any other section of the American economy.

It must be our resolve that small business shall not be the No. 1 economic casualty of this war.

The national debt, however, need not be an enervating mortgage on our future. In thinking about the national debt, we must rid ourselves of the customary preconceptions. Even though the Federal debt is rising to \$200,000,000,000, the burden of annual interest will be light or heavy, depending on how well we maintain all-out production. It can be simply shown that, if our national income is kept going at a rate only 90 per cent of the present level, it will require only 7 per cent of our annual income to pay interest on both public and private debt. Such a percentage would be no greater than that devoted to the same purpose in 1929. The real problem, therefore, is to maintain full employment and balanced production on the necessary scale. If we succeed, it will be possible to carry this national debt without additional and unnecessary taxation.

The President has already indicated a program for the demobilization of the armed forces and outlined the machinery for an orderly transition. The time has come now when we should think in equally clear terms about demobilizing our war production.

In the critical period of demobilization, there are certain positive policies which may be invoked and certain basic evils which should be avoided. It will probably be necessary to have some public-works projects to provide employment in this period. Primarily, the task of re-employment is the responsibility of businessmen. It is a responsibility which they can meet only if enterprise is free to develop and extend the new lines of industry as well as the presently existing enormous plant capacity.

To aid business in carrying out this responsibility, the existing plants constructed by the government for the war effort should not fall into disuse. Neither should they become part of the philosophy of planned scarcity which is implicit in monopoly control. So far as practical, they should be turned over to private business and become part of our free private-enterprise system. Why not, for instance, lend-lease these plants to those American businessmen who are free of monopoly association and willing to engage in full production? Such men are entitled to encouragement and should be given every incentive to produce.

Among these incentives should be a reorganized tax program to expand production and create new industry. We must avoid the pitfalls of a tax program which gives incentive to speculation in securities rather than investment in productive enterprises and plant expansion. Our whole tax structure, including individual income, capital gains and corporate taxes, will need revamping to stimulate maximum production and employment.

We must reorganize the flow of credit in our economy so that the little businessman is not subject to the will of the private-monopoly groups who control credit. He must not be crushed by a system of private taxa-

tion. It should be made possible for the average businessman to obtain credit on fair and just terms.

Free private business must accept the responsibilities inherent in free private enterprise. It must give full employment and it must spur the full utilization of our productive resources. The alternative to the acceptance and the fulfillment by business of its responsibilities in a free private-enterprise economy is the increasing use of governmental agencies to assume this task. Government will have to do so if free private enterprise fails.

Capitalism throughout the world, and even in our own country, has often been the object of derision. Not its inherent faults but its misuse has been the underlying reason for this attitude. Considered in its essentials, however, capitalism can be the most efficient system of organizing production and distribution on principles of freedom and equal opportunity yet devised by man. It should not, as many radical reformers have suggested, be uprooted. It should be modernized and made to work. Indeed, it must be made to work if we are to maintain the foundations of those things which we believe to be the essentials of American society. The chief trouble with capitalism has been the perversion of its instruments and their misdirection by small, powerful, privileged groups for purposes they were never intended to achieve.

In recent years, numerous attacks have been made upon capitalism without distinguishing between capitalist institutions and their abuses. Among the principal economic devices of capitalism most frequently assailed are the corporation and the patent system. Too often, attempts to remedy evils which have sprung up in corporate practices or to correct improper uses of patents have been translated into attacks on patents and corporations in general. If criticism is to be constructive, it must recognize that there are other ways to cure a headache than by decapitation.

Like all institutions brought into being to serve men's needs, both the corporation and the patent system carried with them the possibilities of abuse by a privileged few. The multiplication of corporations which resulted from charter mongering by states led to practices which made it possible for the corporation to be used as a means of cheating the public. Corporation laws which promoted the concentration of economic power in the hands of small closed groups became barriers to free enterprise. The development of huge, unwieldy and cumbersome interests unwilling to take risks, and fearful of competition from the smaller, more flexible, more resourceful businessmen, resulted in the stifling of new investment and a slowing down of the whole productive process.

Similarly, abuses crept into the patent system. Gigantic vested interests, posing as independent inventors and little businessmen, accumulated pat-

ent structures which not only blanketed whole areas of industry, but, in effect, channeled research and development as bulwarks for their own dominating position. Little inventors were crushed. Small businessmen could not compete with these vast aggregations of patents and capital. Small businessmen and inventors attempting to develop new processes and products found little protection in the patent when pitted against the power assembled in overgrown combinations.

This concentration of power has become one of the most serious conditions businessmen have ever faced. Cartels—industrial combinations which are not only national but international in scope—have acquired a degree and range of arbitrary power which threatens the very existence of small business and stifles the creative energy of our people. This is a far cry from the original goal set for patents by our Constitution: "To promote the progress of science and useful arts."

Among the steps which are worth considering toward correcting the abuses of the past is the enactment of a Federal incorporation law. Such a law would replace an evil which has become identified with the state of Delaware.

The patent system must be made to square with its original purpose as propounded by the Founding Fathers. It must give incentive and protection to the small and creative, and not be used as a weapon of oppression by large aggregates of wealth.

The age of enterprise, the era of adventure which began with the discovery of the New World, is yet young. The annals of progress have not been closed. In the truest meaning of the term, the United States today faces its greatest hour of opportunity and its greatest challenge to the aims and purposes which moved the founders of our nation to build in freedom an enduring society.

Because geographical frontiers are fast disappearing, it does not follow that the age of enterprise is over.

The exploration of our world by science, the mastery of natural forces and the creation of new material wealth offer unending possibilities to the daring imagination and the zest for activity which have so long guided the outlook of America.

We know that the world stands at the beginning of a new era in human development. We know also that all beginnings are difficult. If we have the courage and the will to grasp the abundant means which are now at hand, there is every assurance that we shall be able to approach something of the supreme objectives for which this war is fought. In simple terms, it is said that we fight for freedom. Yet the economic content of this freedom hinges upon the full employment of our natural

wealth and the full employment of our manpower, for purposes of peace no less than for purposes of war.

The dominant objectives before American industry today are the maintenance of a volume of production which the war has shown can be achieved, and the development of new avenues of activity for capital and labor alike. We must, in other words, find the way to create an expanding economy. We must protect the individual from oppression by the state or by vast aggregations of wealth. We must give to the businessman an incentive for production and the promise of profit for work well done.

In this task there are many things that government can do to stimulate free enterprise by positive action while safeguarding our heritage of natural resources. The conservation of our forests, our farm lands and our finite mineral reserves is properly within the sphere of government. At the same time there are many ways in which government can and should make possible the development of new industries by business. For example, in the development of power projects such as the TVA, a foundation is created on which free private enterprise can build. These are tasks which are public responsibilities. By serving the general welfare in this manner, government is not denying free private enterprise. Rather it is providing a stronger and surer support for economic progress and an expanding economy. [*Article in THE SATURDAY EVENING POST, Oct. 23, 1943.*]

XIII: 1944

JACKSON DAY

WE AS INDIVIDUALS are here tonight because the people, suffering from the Hoover-Mellon-Wall Street collapse, demanded a New Deal. The people believed in Roosevelt, the Democratic party and the New Deal in 1932 because they felt that the New Deal stood for human rights first and prosperity rights second. The people confirmed their faith in Roosevelt and the New Deal in 1936 and 1940.

The New Deal is not dead. If it were dead the Democratic party would be dead, and well dead. But the Democratic party is not dead and the New Deal has yet to attain its full strength. The New Deal is as old

as the wants of man. The New Deal is Amos proclaiming the needs of the poor in the land of Israel. The New Deal is New England citizens dumping tea in Boston Harbor. The New Deal is Andrew Jackson marching in the twentieth century. The New Deal is Abraham Lincoln preaching freedom for the oppressed. The New Deal is the New Freedom of Woodrow Wilson fighting the cartels as they try to establish national and international fascism. The New Deal is Franklin D. Roosevelt.

In the peace to come, the freedom of Jackson, Lincoln, Wilson and Roosevelt means the economic right of the people to the great abundance of the America of tomorrow. The freedom of Jackson, Lincoln, Wilson and Roosevelt in the peace to come also means that personal liberty must move hand in hand with that abundance. This freedom stands for justice and fair play for all the classes and all the regions in terms of the welfare of the plain folks.

The doorway to this freedom is blocked by the deliberate misrepresentation of the paid hirelings of the special interests. Because of these hirelings the worker on the farm and in the factory has often been condemned without a hearing as a saboteur of the war effort. These paid hirelings try to create dissension among the fighter on the farm, the fighter in the factory and the fighter at the front. They shall not succeed because all three fighting fronts have the same two objectives, quick victory in war, justice and jobs in peace. Justice and jobs for our workers and servicemen will give prosperity to our farmers and adequate profits for business.

The Democratic party will always be first in the hearts of the people if it applies to the ever-changing problems of war and peace the resolute courage and patient humanity of the founding fathers of the New Deal, Jackson and Lincoln.

One man more than any other in all history has given dynamic power and economic expression to the ageless New Deal. That man is Roosevelt. Roosevelt has never denied the principles of the New Deal and he never will. They are a part of his very being. Roosevelt, God willing, will in the future give the New Deal a firmer foundation than it has ever had before. So on with the New Deal, on with winning the war, and forward march for peace, justice and jobs. [*January 22, 1944.*]

LINCOLN

Until the end of time men will come here to Springfield to pay tribute to the memory of Abraham Lincoln. He who speaks here should speak from his heart, and briefly.

Every schoolboy, every American and all lovers of freedom everywhere know the Lincoln story. He was born poor, he united a nation torn asunder and he freed men. Lincoln was a man of faith who looked beyond private sorrow and public woe. His name and his deeds will live forever.

Within a few months after Abraham Lincoln became President we were engaged in a terrible war which was not won until a few days before his tragic death. It was not an easy war to win. The opposing armies in the field were strong. Those who gave lip service to the United States but who found fault with everything he said and did were powerful. Influential newspapers continually and severely criticized him. At one time, only a few months before he was renominated for President, he had only one supporter in Congress. This great man who spoke truly when he said, "I have never willingly planted a thorn in any man's bosom," was misrepresented and maligned by swarms of little men. Lincoln, nevertheless, bent his great energies to winning the war and planning for the peace. He was struck down while the people of the United States, North and South, were celebrating the return of peace.

We meet tonight in the midst of another great war. Ten million American fighting men are engaged in work as important as any which has ever been done on this earth. As soon as this war has been won, the soldiers and the workers in war plants will be ready to make peacetime goods. There must be jobs for all willing workers. We have come out of the dark cellars of unemployment and doles, and we must never go back. The people have a right to ask, "Why can we not work and get enough to eat and wear in peace as we have in war?" The answer is, "We can and we must!" With full employment the people of the United States can have the things they have always wanted—homes, schools, household furnishings and time to spend with their children.

Those who are blinded by fear say that we must go back to the old days—the days of hunger and despair. We must not heed them. They are not of the stature to which Lincoln grew.

The future calls for faith and work—faith and intelligent planning. Peace, goodwill, jobs, health and family security are possible and obtain-

able, and should become the tools of man's march toward the fuller and richer life. If Lincoln were here today he would concern himself with striving for a better tomorrow.

Shortsighted, fearful people in Lincoln's day said that we could never recover from the wreckage of the Civil War. Lincoln himself looked ahead with hope and confidence. He planned for new frontiers—for the West that was to be. The American enterprise and the American government of 1864 knew that the men who returned to civilian life needed work to do. The jobs that were provided by the building of the West saved us from chaos after the Civil War.

This experience of our grandfathers is a lamp for our feet.

Who does not wish to see swamps drained, harbors deepened, dams built, soil saved, inventions encouraged and new and better goods for use and comfort provided for men everywhere? The man who cannot see, the man who fears and waits, is not of the material of which Lincoln was made. Rather he is like the Copperheads whom Lincoln fought—those who wanted peace at the price of a divided nation. Those who seek a people's peace have the right to see through the eyes of Lincoln, and our duty is continually to work with vigilance always against the national and international carpetbaggers who would starve and enslave the world.

Lincoln said, "Trust the common people." He believed in their common sense and in their ultimate unselfishness. Today, while democracy is menaced abroad and while American Fascists are endeavoring to enslave us here, the words and deeds and inspiration of Lincoln give strength to those who battle in the cause of the people.

So long as there is human need in the United States it is criminal for men to be idle. It is bad business and bad morals to allow believers in scarcity to hold down production while people need goods and men are out of work. The people of America are our most valuable possession. The poorest people of America are our most valuable, untapped market. Men are more important than dollars. Abraham Lincoln believed this. Shortly before he became President he said that he was both for the man and for the dollar, but in case of conflict he was for the man before the dollar. He believed and died believing that the rights of man were more precious than the rights of private property.

Those who fight for us in this war belong to many parties, many creeds and many races. This is a people's war. The peace must be a people's peace. Lincoln would have it so. We shall fight unceasingly against anyone who puts the dollar above the man. We shall win the people's peace.

[Springfield, Illinois, February 12, 1944.]

TVA

Of all the books which I have read during the past twelve months, David Lilienthal's on the TVA is to me the most exciting.* It is exciting because it describes the new democracy in terms as real as a juicy steak. Curiously enough, there is nothing in this book to offend nine out of ten businessmen. Lilienthal makes the TVA live as an example of how a government-inspired project vastly increases the amount of free enterprise and prolongs it far into the future. The TVA not only enlarges the opportunity for free enterprise, but it is a model for decentralization, for true economic democracy, with the people participating in the decisions which affect their daily bread.

For the past ten years I have felt the greatest criticism of the New Deal was failure to take into account sufficiently and utilize fully new inventions, new technology and new science. This criticism cannot be made of TVA. I quote from the book:

There is almost nothing, however fantastic, that, given competent organization, a team of engineers, scientists and administrators cannot do today. . . . Today it is builders and technicians that we turn to: men armed not with the ax, rifle and bowie knife, but with the Diesel engine, the bulldozer, the giant electric shovel, the retort—and most of all, with the emerging kind of skill, a modern knack of organization and execution. . . . And it is just such fruits of technology and resources that people all over the world will, more and more, demand for themselves. That people believe that these things can be theirs—this it is that constitutes the real revolution of our time; the dominant political fact of the generation that lies ahead.

Never has Roosevelt appeared to greater advantage as a statesman laying down the blueprints for our domestic future than in his joining of hands with George W. Norris in fathering one of the two or three most significant contributions of the New Deal. Roosevelt always loved water, and especially rivers. He saw in them power, flood control, navigation and the conservation of soil and trees. Seeing these things, he insisted that the TVA legislation be broad enough so that, with the Tennessee River serving as a focus, the people in the valley could be helped to help themselves in terms of the great American tradition. Take a look at the valley in 1933 and then look at it again in 1944 and you will know that the New Deal

* *TVA—Democracy on the March* by David Lilienthal. 1944. Harper & Bros., N.Y.

is a very living thing. You can see it in the copper wires which have brought electricity to many thousands of farmers who never had it before. You can see it in the terraced hillsides where the crop yields have been increased faster than elsewhere in the country. You can see it in the great dams and beautiful lakes. There are boats on the lakes, fish in the lakes and recreation on the shores. Moreover, the lakes represent power and flood protection. They represent commerce.

Most of all the TVA means people planning together in their own community for their own welfare. This planning is not something abstract and remote. It has to do with things which lie close at hand,—soil fertility, fertilizers, erosion control, tree planting, deep-freeze machines, factory development, barge transportation, etc. Under the TVA system people can not only talk about these things, but they can do something about them. There has always been something unreal about political democracy without economic democracy. The TVA points the way toward combining the two.

I never suggested a TVA on the Danube. That was done for me by the President of the National Association of Manufacturers, who did not hesitate to make other misrepresentations as well. It is not the business of the United States to build TVA's elsewhere in the world. Just the same, I hope other nations will want to build TVA's of their own. There ought to be a TVA on the Danube, another on the Ganges, another on the Ob, and another on the Paraná. We can give technical advice as to the way to do the job and can even furnish on a lost-cost amortization basis the modern types of machinery necessary for building dams. It will be perfectly safe for the United States to do this because the Tennessee Valley experience proves that the investment can be self-liquidating. An American friend of mine who gave a talk on the TVA in England received recently a letter from an Austrian engineer who had been in his audience, as follows:

Many possibilities suggest themselves for application of the TVA idea to European problems. The most direct I could think of is its application to the Danube, or, if you dare to stretch it so far, to the Rhine-Main-Danube system of hydro-electric power generation, navigation, water control, etc. The Danube and its tributaries run through half a dozen states in Europe's trouble center. Though there has long been an international Danube commission in existence, nothing like a TVA exists. A TVA on the Danube would be a powerful peace element which would yield a great economic and political influence and which would go a long way to help the countries of Central and Southeastern Europe in reconstruction and in linking up their eco-

conomic interests on a not too controversial basis. There might be a chance to create such an authority in the framework of a future peace settlement, be it under a new League of Nations or another power, if . . .

Valleys are much the same everywhere and the people who live in the valleys are all interested in flood control, soil erosion, reforestation, power development, navigation, fishing and recreation. Dave Lilienthal dreams of the day when the new democracy will march into a thousand valleys and the free enterprise of the new democracy will permeate into millions of farm homes and into the small businesses prospering on the basis of cheap electric power and productive farm lands.

In conclusion, I want to say that one of the most amusing things about the TVA is the way in which the lower electric rates forced by the TVA on the private utility companies increased the prosperity of these same companies. The TVA points the way toward the Kingdom of Abundance, even for those who entered the Kingdom unwillingly. [*Review in THE NEW REPUBLIC, March, 1944.*]

THE DANGER OF AMERICAN FASCISM

On returning from my trip to the West in February, I received a request from *The New York Times* to write a piece answering the following questions:

- "1. What is a fascist?
- "2. How many fascists have we?
- "3. How dangerous are they?"

A fascist is one whose lust for money or power is combined with such an intensity of intolerance toward those of other races, parties, classes, religions, cultures, regions or nations as to make him ruthless in his use of deceit or violence to attain his ends. The supreme god of a fascist, to which his ends are directed, may be money or power; may be a race or a class; may be a military clique or an economic group; or may be a culture, religion, or a political party.

The perfect type of fascist throughout recent centuries has been the Prussian Junker, who developed such hatred for other races and such allegiance to a military clique as to make him willing at all times to engage in any degree of deceit and violence necessary to place his culture

and race astride the world. In every big nation of the world are at least a few people who have the fascist temperament. Every Jew-baiter, every Catholic hater, is a fascist at heart. The hoodlums who have been desecrating churches, cathedrals and synagogues in some of our larger cities are ripe material for fascist leadership.

The obvious types of American fascists are dealt with on the air and in the press. These demagogues and stooges are fronts for others. Dangerous as these people may be, they are not so significant as thousands of other people who have never been mentioned. The really dangerous American fascists are not those who are hooked up directly or indirectly with the Axis. The FBI has its finger on those. The dangerous American fascist is the man who wants to do in the United States in an American way what Hitler did in Germany in a Prussian way. The American fascist would prefer not to use violence. His method is to poison the channels of public information. With a fascist the problem is never how best to present the truth to the public but how best to use the news to deceive the public into giving the fascist and his group more money or more power.

If we define an American fascist as one who in case of conflict puts money and power ahead of human beings, then there are undoubtedly several million fascists in the United States. There are probably several hundred thousand if we narrow the definition to include only those who in their search for money and power are ruthless and deceitful. Most American fascists are enthusiastically supporting the war effort. They are doing this even in those cases where they hope to have profitable connections with German chemical firms after the war ends. They are patriotic in time of war because it is to their interest to be so, but in time of peace they follow power and the dollar wherever they may lead.

American fascism will not be really dangerous until there is a purposeful coalition among the cartelists, the deliberate poisoners of public information, and those who stand for the K.K.K. type of demagoguery.

The European brand of fascism will probably present its most serious postwar threat to us via Latin America. The effect of the war has been to raise the cost of living in most Latin American countries much faster than the wages of labor. The fascists in most Latin American countries tell the people that the reason their wages will not buy as much in the way of goods is because of Yankee imperialism. The fascists in Latin America learn to speak and act like natives. Our chemical and other manufacturing concerns are all too often ready to let the Germans have Latin American markets, provided the American companies can work out an arrangement which will enable them to charge high prices to the consumer inside the United States. Following this war, technology will have reached such a

point that it will be possible for Germans, using South America as a base, to cause us much more difficulty in World War III than they did in World War II. The military and landowning cliques in many South American countries will find it attractive financially to work with German fascist concerns as well as expedient from the standpoint of temporary power politics.

Fascism is a worldwide disease. Its greatest threat to the United States will come after the war, either via Latin America or within the United States itself.

Still another danger is represented by those who, paying lip service to democracy and the common welfare, in their insatiable greed for money and the power which money gives, do not hesitate surreptitiously to evade the laws designed to safeguard the public from monopolistic extortion. American fascists of this stamp were clandestinely aligned with their German counterparts before the war, and are even now preparing to resume where they left off, after "the present unpleasantness" ceases.

The symptoms of fascist thinking are colored by environment and adapted to immediate circumstances. But always and everywhere they can be identified by their appeal to prejudice and by the desire to play upon the fears and vanities of different groups in order to gain power. It is no coincidence that the growth of modern tyrants has in every case been heralded by the growth of prejudice. It may be shocking to some people in this country to realize that, without meaning to do so, they hold views in common with Hitler when they preach discrimination against other religious, racial or economic groups. Likewise, many people whose patriotism is their proudest boast play Hitler's game by retailing distrust of our Allies and by giving currency to snide suspicions without foundation in fact.

The American fascists are most easily recognized by their deliberate perversion of truth and fact. Their newspapers and propaganda carefully cultivate every fissure of disunity, every crack in the common front against fascism. They use every opportunity to impugn democracy. They use isolationism as a slogan to conceal their own selfish imperialism. They cultivate hate and distrust of both Britain and Russia. They claim to be super-patriots, but they would destroy every liberty guaranteed by the Constitution. They demand free enterprise, but are the spokesmen for monopoly and vested interest. Their final objective toward which all their deceit is directed is to capture political power so that, using the power of the state and the power of the market simultaneously, they may keep the common man in eternal subjection.

Several leaders of industry in this country who have gained a new vision

of the meaning of opportunity through co-operation with government have warned the public openly that there are some selfish groups in industry who are willing to jeopardize the structure of American liberty to gain some temporary advantage. We all know the part that the cartels played in bringing Hitler to power, and the rule the giant German trusts have played in Nazi conquests. Monopolists who fear competition and who distrust democracy because it stands for equal opportunity would like to secure their position against small and energetic enterprise. In an effort to eliminate the possibility of any rival growing up, some monopolists would sacrifice democracy itself.

It has been claimed at times that our modern age of technology facilitates dictatorship. What we must understand is that the industries, processes, and inventions created by modern science can be used either to subjugate or liberate. The choice is up to us. The myth of fascist efficiency has deluded many people. It was Mussolini's vaunted claim that he "made the trains run on time." In the end, however, he brought to the Italian people impoverishment and defeat. It was Hitler's claim that he eliminated all unemployment in Germany. Neither is there unemployment in a prison camp.

Democracy to crush fascism internally must demonstrate its capacity to "make the trains run on time." It must develop the ability to keep people fully employed and at the same time balance the budget. It must put human beings first and dollars second. It must appeal to reason and decency and not to violence and deceit. We must not tolerate oppressive government or industrial oligarchy in the form of monopolies and cartels. As long as scientific research and inventive ingenuity outran our ability to devise social mechanisms to raise the living standards of the people, we may expect the liberal potential of the United States to increase. If this liberal potential is properly channeled, we may expect the area of freedom of the United States to increase. The problem is to spend up our rate of social invention in the service of the welfare of all the people.

The worldwide, agelong struggle between fascism and democracy will not stop when the fighting ends in Germany and Japan. Democracy can win the peace only if it does two things:

1. Speeds up the rate of political and economic inventions so that both production and, especially, distribution can match in their power and practical effect on the daily life of the common man the immense and growing volume of scientific research, mechanical invention and management technique.

2. Vivifies with the greatest intensity the spiritual processes which are both the foundation and the very essence of democracy.

The moral and spiritual aspects of both personal and international relationships have a practical bearing which so-called practical men deny. This dullness of vision regarding the importance of the general welfare to the individual is the measure of the failure of our schools and churches to teach the spiritual significance of genuine democracy. Until democracy in effective enthusiastic action fills the vacuum created by the power of modern inventions, we may expect the fascists to increase in power after the war both in the United States and in the world.

Fascism in the postwar inevitably will push steadily for Anglo-Saxon imperialism and eventually for war with Russia. Already American fascists are talking and writing about this conflict and using it as an excuse for their internal hatreds and intolerances toward certain races, creeds and classes.

It should also be evident that exhibitions of the native brand of fascism are not confined to any single section, class or religion. Happily, it can be said that as yet fascism has not captured a predominant place in the outlook of any American section, class or religion. It may be encountered in Wall Street, Main Street or Tobacco Road. Some even suspect that they can detect incipient traces of it along the Potomac. It is an infectious disease, and we must all be on our guard against intolerance, bigotry and the pretension of invidious distinction. But if we put our trust in the common sense of common men and "with malice toward none and charity for all" go forward on the great adventure of making political, economic and social democracy a practical reality, we shall not fail. [*Article in THE NEW YORK TIMES, April 9, 1944.*]

BROADCAST TO THE LITTLE BUSINESSMEN OF THE NATION

When we think of America we think of a fortunate country where a little man can get ahead through his own efforts. That is what Thomas Jefferson was talking about when he used the words "Life, Liberty, and the Pursuit of Happiness." Jefferson laid great emphasis upon agriculture and feared the day when people would leave farms and crowd together in great cities. We know now that special precautions must be taken if the growth of cities is not to produce the dire results Jefferson feared. The little man whose strength is the vitality of the nation must be preserved.

When this war has been won we want every man in America who has ambition and a willingness to work hard to have the opportunity to prove in a market free from unfair restraints that he has something to add to the productivity and happiness of this nation.

Everyone has been able to contribute something during this war. On the Pacific Coast last month I visited several airplane plants where nearly half of the workers were women, and where many of the men workers would not have been allowed to work three years ago because of physical handicaps. Nevertheless these women and the so-called rejects are turning out bombers in one-half the man hours that so-called superior labor used three years ago. Truly "the stone which the builders rejected has become the chief corner-stone." I am mentioning this great accomplishment because I am firmly convinced that small business depends for its prosperity very largely on full employment and an expanding economy. Unless business, labor and government plan together for full use of man power, resources, and skills, small businessmen will be ruined by the tens of thousands.

The people of the United States are united in their determination to win this war. American industry, American business, and American agriculture can look forward to a bright future if the markets of peace are expanded to take the place of the markets of war. We cannot have free enterprise unless the world is at peace.

We must maintain the peace. The Teheran Conference has laid the ground work. All peace loving nations will be given an opportunity to co-operate in rebuilding the shattered world and perfecting a permanent organization for peace.

I believe in free enterprise. Free enterprise means free and open opportunities for all capitalists, workers, industrialists and traders—to produce the goods and services which are the only true basis of national wealth and well-being. Free enterprise means that each and every industry is open to new capital and new firms—that all firms have free access to raw materials, to labor, to technologies—that producers have free access to the markets in which they sell—that all individuals, in accordance with their several abilities and irrespective of color, race, and creed, have equal opportunities to work at their chosen jobs.

Free enterprise is not privileged enterprise. Monopolists define free enterprise falsely as freedom from government interference for monopolies. Free enterprise really means freedom for everyone and not ruthless domination by a few. Free enterprise does not mean freedom for cartels to plot against the national interest. Free enterprise does not mean freedom for monopolies to exploit consumers while denying jobs to workers.

Farmers more than any other class of our people love to produce to the limit. Therefore, they are gravely concerned when big industrialists reduce the foreign market for farm products by asking the Congress to raise tariffs on industrial products while they reduce the domestic market for farm products by plowing workers out on the streets. The farmer wants, and has always wanted, an abundance of farm and industrial products. But it is suicide for him to stand for abundance all by himself. He tried that after the last war and especially in 1930, 1931 and 1932. At that time industry cut its production in half and reduced prices very little. The farmer did the reverse. He cut his prices in two but reduced his production very little. All the farmer got out of trying to run an abundance show all by himself was bankruptcy. But he still believes in abundance and he wants full markets, provided by a reasonable tariff policy and full employment at good wages. Full employment, full production, good wages and reasonable prices are the vital essentials of prosperity for the farmer, the worker and the small businessman.

The phenomenal success of American industry in producing for war has demonstrated convincingly that we can produce a national income of from 150 to 200 billion dollars in the early postwar years, and that that income can be progressively enlarged if we preserve a free and dynamic economy. Full use of our resources in all-out production for peace can create a level of well being for the common man such as has heretofore been available only to a privileged minority. The common man knows this. He will never again accept an economic organization which falls short of this goal.

In our great wartime production effort the strategy has been determined by the needs of the armed forces and only the execution of the tactics has been left to the separate business units. Nevertheless, I am confident that equally amazing goals can be achieved in peacetime by free, private enterprise, if our business and labor leaders have sufficient faith in free enterprise to give their unqualified support to the full use of all our resources, to the measures necessary to enable free enterprise to serve the public interest.

Business can discharge its public responsibilities and preserve itself only by maintaining conditions of *genuine* free enterprise. The price of survival and progress is the whole-hearted acceptance of healthy competition—competition in price as well as in quality and service. Let us understand fully the implications of free enterprise, the duties which it imposes and the opportunities which it opens:

It is a fundamental of free enterprise that no individual or group shall control the market, with power to exclude new investment, new enter-

prises, new methods, or workers. So far as small businesses are concerned, the mere absence of local capital markets is a restraint on their ability to grow and expand. The present high concentration of investment banking in New York City is in itself incompatible with free enterprise, for only the large national corporations have access on reasonable terms to that capital market.

Restrictive agreements limiting capacity, curtailing output, fixing prices, assigning markets—all of these manifestations of the cartel at home or abroad must be forever abolished.

The basic technologies of modern industry must be restored to, and remain a part of the public domain. This is not an attack on the patent system; it is a necessary measure to make the patent system conform to its constitutional purpose—to promote the progress of science and the useful arts. It must become impossible to use patents to monopolize entire industries. The solution is simple—all patents should be subject to open licensing at a reasonable fee—one which affords a reasonable return to the inventor and promotes the wider and wider use of the patent. And no license should be permitted to stipulate how much the licensee shall produce, what he shall charge, or where he shall sell.

The government's tax policies have an important influence on business activity. In a peace-time economy, the tax program should have a double objective—to bring in the necessary revenue and to encourage the production of the largest possible national income. Taxes which impair the ability of consumers to purchase the products of agriculture and industry, or which discourage the investment of venture capital in new undertakings, must be avoided in our drive for all-out production. The tax program can and should be framed with attention to the larger objectives of the economy—full use of all our resources.

A public works program of all units of government should be planned far in advance, carried to the point of preparing blueprints and contracts, and then all postponable projects should be held in abeyance until the construction activity is needed to balance a prospective decline in business activity. Likewise, the government should seize the opportunity afforded by periods of business prosperity to accelerate its program of debt retirement, and thereby improve its credit position and help control the credit inflation which might otherwise lead to an early recession. Government fiscal policies can go far to reduce, and to compensate for, fluctuations in business activity.

Above all it is necessary for our leaders in industry, agriculture, and trade to understand the responsibilities of both business and government in assuring continuing full employment of all resources. Business poli-

cies must be framed with this long-run objective in view. Forward looking businessmen will welcome the co-operation of government in maintaining full employment, without sabotaging the national economy by treating such government activities as attacks upon free enterprise.

In recent speeches I have dealt with the necessity for developing balanced regional economics in the South and the West, as part of a full-production national economy. The per capita income in the South and West must be raised to the point where adequate markets will exist for the output of farm and factory. All obstacles to such regional developments should be removed.

In the building of our postwar national economy, particular attention must be given to the opportunities for small business enterprises. Small business provides an outlet for new ideas and products, a training ground for new leaders, and an effective competitive check on big business, which might otherwise confuse mere size with efficiency. The greatest contribution which government can make to the progress of small business is the creation and preservation of genuine free enterprise. Given access to the necessary technologies and to the capital markets, small enterprise in industry and trade will flourish. And such small business, by reason of its inherent resilience and flexibility, can become the mainstay of our regional economics, the balance wheel of the national economy.

Competition must remain the indispensable foundation of free enterprise. When competition exists, enterprise is free and the necessity for governmental regulation of industry is at a minimum. Where competition is suppressed or restricted, technological progress is blocked, efficiency diminishes, markets contract and the national income shrinks. The government must either aid in preserving healthy competitive conditions, or assume increasing responsibility for the management of industry.

We have an unparalleled opportunity to return to a free enterprise economy. The necessities of war have exposed domestic restraints and broken foreign cartel restraints. Improvements in technology have created new inter-industry competition which threatens the power of entrenched monopolies. New light metals and alloys will compel the aluminum and copper industries, and even the steel industry, to develop cheaper methods of production and seek new markets for their products. Some technical advances will enable small plants to operate economically in industries heretofore dominated by one or two firms.

The greatest opportunity lies in the war plants built with government funds. In the manner of their postwar use lies the acid test of whether we are sincere in our determination to reestablish genuine free enterprise. We must not regard such plants as liabilities to be disposed of hastily; we

must not allow the disposition of these plants to add to the concentration of control in industries which are already monopolistic. The plants must be kept in full production to create the enlarged national income required to support a new American standard of living. As a final sale of these war plants would probably result in their being acquired sooner or later by a few large concerns, I have suggested that title should remain in a federal agency, and that these plants should be leased to independent producers who will create new competition and new production.

Whether or not we have free enterprise and the full use of all productive resources depends on our understanding that our way of life is at stake, and on the determination of all of us to test every private and public policy by whether it contributes to the full use of all our resources or whether it tends toward the destruction of full production.

We shall win the military victory. We must have a peaceful world thereafter. We must preserve America as a land of economic opportunity for all of our people. This must be the Century of the Common Man.

[*March 17, 1944.*]

INVISIBLE GOVERNMENTS

The dictionary definition of cartels is "combinations of separate firms to maintain prices above competitive figures." Technically, that is correct, but it's a very charitable description. I prefer to define them as "private and secret super-governments controlling major branches of world industry, and not accountable to the people." They are small groups, as a rule, but so extremely powerful that they have obtained a stranglehold upon many phases of American industry, and in large measure have gained control of our economic relations with other countries.

In the prewar world, cartels influenced our foreign policy and blocked the fulfillment of the Good Neighbor idea in Latin America. They were able to deny our allies critical war materials, and largely as a result of restrictions imposed by cartels the United States entered the war with acute shortages of vital military supplies. Because cartels controlled strategic industries, raw materials, patents and sources of research, the strength of the democratic nations was sapped almost to the point of bankruptcy. If we permit these groups to operate after the war the consequences may be disastrous; it will be impossible to establish and maintain full production and full employment, and there will be little freedom of opportunity. Cartels must be broken up if we are to rebuild a shattered world economy

and realize the closer understanding desired by both the peoples and the governments of the United Nations. And to fight them effectively we must begin with these steps:

1. All international agreements involving American companies or their subsidiaries, and affecting our national economic policy, must be filed with the government. This should not confer immunity from prosecution under the anticartel laws.

2. Domestic monopoly must be eliminated. If healthy competition exists, cartels cannot be formed.

3. The amendment to the Reciprocal Trade Agreements Act, which permits action against cartels, must become a vital part of our national economic policy.

4. Small and medium-sized businessmen must have access to technological advances, in order to maintain vigorous competition. Today, these businessmen are unable to engage in research, because they haven't the money to build and equip adequate laboratories. The government should provide research open to all, large and small alike. This policy would break the grip of cartels on technology and would provide facilities for experimentation and development in the fields of public health and military security, which for various reasons are not within the province of the private laboratory. In my opinion, private research will continue more effectively if thus supplemented.

The most frequent complaint of business against government is that enterprise and initiative are stifled, and competition made impossible, by overregulation. The regulatory system reaches its climax in totalitarian countries, where all new undertakings must have government sanction, and all enterprises are told by government what they shall produce, in what quantity, at what price and to whom their products may be sold. Close examination of a cartel setup shows that there is slight difference between the operations of a cartel and those of a totalitarian government. In areas dominated by a cartel, the markets are closed to new entrants, and the private groups which comprise the cartel decide upon quantity, quality and price of product. Cartels are the first and most important step toward totalitarianism.

How these operations are carried on can be illustrated by a simple example. Suppose that, on the four corners of a city street, there are four peddlers. Two sell shoelaces. Two sell gumdrops. They are in vigorous competition, with shoelaces and gumdrops selling for a nickel. Finally they get together and agree not to compete. Thereafter one peddler sells only black shoelaces; another sells brown. One sells only pink gumdrops, another sells green. Prices are now regulated so that gumdrops and shoe-

laces sell for fifteen cents, and the members of the monopoly group gang up on any other peddler who tries to sell on their four corners. Carry this example over to big business, where the market place is the four corners of the world instead of the four corners of a city street. Substitute magnesium and plastics for shoelaces and gumdrops. Blown up to world-wide proportions, the little peddlers' monopoly scheme becomes a full-fledged cartel. This may appear to be oversimplification, but the principle is there.

For the monopoly problem is no longer a local issue. Nor is it purely national. Today, it is worldwide, and weighted with grave economic and political implications. It is imperative that the American people grasp the meaning of international cartels. Our position and role in the world economy, our military security and our internal development will be governed largely by the measures which we adopt to eliminate these groups. Already they have become private economic super-governments ruling arbitrarily over large segments of industry, and in some cases have attained a stature and an influence which rival public authority.

Cartels look upon the whole world economy as their special melon, to be cut and divided as they see fit. A striking example of the consequences of this viewpoint may be found in our relations with South America. It is no secret that as a result of cartel agreements, under which American firms bound themselves not to compete, many countries in South America were economic colonies of German industry. In part, at least, the strength of the German economic grip upon South America has accounted for the anti-American policies of Argentina. Time and again the efforts of the United States to form closer bonds with our Latin American neighbors came to nothing because cartels had decreed that American interests should not compete in South American countries. Today this cartelist influence in Argentina is the chief peril to the peace of the hemisphere because of the speed with which it is increasing Argentine armaments and spreading fascist propaganda. Cartelists are the greatest menace to our southern flank.

When the war began in Europe in September, 1939, German agencies set up by cartels in South America were threatened with extinction by the British blockade. But the blockade was frustrated to a large extent by the cartels. If German producers could not send goods to South America, then the American members of the cartel would do so. And in many instances the agreement under which this was done provided that these products should bear German labels, be sold exclusively by German agents and be available only for the duration of the war. By this means the German control of the markets was preserved. And the spirit of these agreements is apparently still in effect. As late as October, 1943, the De-

partment of Justice charged that an American member of a large chemical cartel had agreed to retire from South America at the end of the war and restore domination of the territory to the Germans.

The significance of international cartels was clearly demonstrated in the years immediately preceding the outbreak of the war. The philosophy which created Munich had its counterpart, and to some extent its origin, in the cartel-minded groups in Germany and Great Britain which evolved the Dusseldorf Agreement, which was entered into at a conference held on March 15 and 16, 1939, some forty-eight hours after the German Army had invaded Czechoslovakia. The conferees represented the Reichsgruppe Industrie of Germany, official organization of Nazi industry, and the Federation of British Industries, self-identified as the largest association of manufacturers in the world. The purpose of the Agreement was to "replace destructive competition" with cartel management and control of markets, and to introduce co-operation "throughout the industrial structure of their respective countries."

Elimination of competition between British and German producers was described in the Agreement as the first step toward "an ordered system of world trade." The two groups agreed that if necessary they would obtain the help of their governments to deal with the industries of countries which refused to accept the cartel system. In the judgment of the London *Economist* this provision was aimed primarily, if not solely, at the United States. What is important here is not so much the astounding arrogance of this document, as the fact that private groups arbitrarily assumed the authority to order world trade and to use their governments as instruments to accomplish their purposes.

The spirit of Dusseldorf has been temporarily submerged by the war, but the minds which conceived the Agreement have not ceased to function. As peace is seen dimly in the distance, they are busily scheming to resume their activities. Within recent weeks a prominent British industrialist publicly stated that the world economy must be cartelized, and went so far as to demand that the United States repeal the Sherman Anti-Trust Act. If all such plans are not fought with the utmost vigor, the postwar rehabilitation of free private enterprise in this country, and of our foreign commerce as well, will become impossible. Cartels will pave the way toward another domestic depression. Moreover, their existence after the war will again make possible domination of world markets in many lines of industry by German and other foreign interests.

In democratic countries attempts to abolish cartel groups are hampered by the fact that they insist upon the privileges of private enterprise, and denounce any attack upon their power as an attack upon the capitalist

system. They pose as the staunchest supporters of capitalism, yet they are actually its greatest enemy. In an economic system conceived in competition and dedicated to freedom of enterprise, the only moral basis of profit is the assumption of risk. It is for this very reason that cartels and capitalism cannot exist in the same economy. But cartels have so successfully confused the issue that we constantly find it necessary to remind ourselves of the true meaning of capitalistic free enterprise. In essence, free enterprise is the theory and practice of full production, spurred by the promise of reward in return for risk. The little man who invests his time and money, and thereby gives something new and useful to the world, has under this system an opportunity for deserved reward. This is a fundamental truth well understood by the thousands of small investors, the prospectors for oil and metals, the small inventor, and the men who start business on a shoestring.

But since cartels aim at stability and security, they are the foremost opponents of risk. They are themselves unwilling to take chances; therefore, in order to preserve their status, they must prevent others from enjoying the fundamental privileges of capitalism. They must exercise absolute control in the fields of their own operations, and they must also constantly tighten their grip on all sectors of the economy in which competition might arise. They fear nothing more than a new idea—unless they can control it. If they cannot, they will try to see that it never reaches the production stage. In their own self-interest, cartels must become one of the greatest enemies of progress.

But what has the average man got to do with all this talk of cartel and monopoly activity? What do cartels mean to the farmer? They mean the widening gap between farm and industrial prices. The more powerful the cartels become, the less industrial goods the farmer will receive for his produce. What do they mean to labor? They mean wage cuts in the form of arbitrarily high prices and restricted opportunities for employment. They also mean concerted efforts to wipe out the gains that labor has made within the last ten years.

What do cartels mean to the businessman? They mean restricted opportunities for investment, limited profits because of the high prices of raw materials, and limited access to markets. If he happens to operate in an industry controlled by a cartel group, he is told how much he shall make, to whom he shall sell and at what price. His independent action in a free market is curtailed, if not eliminated.

What do cartels mean to the nation as a whole? They mean a limitation in national wealth and a disappearance of opportunity. They mean artificial restriction of production and employment, taxation without represen-

tation, and the usurpation of the people's sovereignty in foreign affairs by a private group.

We know in advance that the postwar period is going to be a crucial test for our economy. We also know that, in the postwar world, new industrial frontiers will beckon as those of the West formerly did. But monopoly controls the approaches to these new frontiers, and if its grip is not broken our economy will have lost its greatest chance for rapid and creative growth. We must keep our promise of freedom and economic development to our own government and people and to millions throughout the world, but as long as cartel exists it cannot be kept.

[*Article in Collier's, May, 1944.*]

AFTERWORD

WHEN ON APRIL 11 I went to Washington and showed the Vice-President the galley proofs of this book, he had just been assigned by the President to go on a special mission to China, and his mind was running ahead to a speech that he hoped to deliver before he left the country in May. "I wish I had it written so that it could go in this collection," he said, "but you may care to indicate the line of the argument in a closing note.

"In my speech late in May or in a pamphlet that I hope to get out later on the same subject, I want to consider the problem of foreign trade in the post-war period. I was very critical of the foreign trade policy of the United States during the decade of the nineteen-twenties. Our foreign investments in that period, it seems to me, were wrong from both a geographical and a qualitative point of view. In other words, we made the wrong investments in the wrong places," said Mr. Wallace, and proceeded to consider a policy that might be acceptable to most Americans.

"I have become more and more convinced that the deeply entrenched business habits of the American public will not permit any very rapid lowering of tariffs, a complete investment of savings or sufficiently large-scale government construction based on deficit financing.

"But the American people are perhaps willing to buy full employment and prosperity on the basis of a large volume of exports. They are willing to accept payments in gold and in services to tourists. Eventually they will be willing to accept imports in excess of exports, provided that both they and the world at large are benefiting from a full flow of prosperity.

"America will be called upon to make a new choice after this war. Our people, if they really wanted to do so, could raise their standard of living 50 percent; but in so doing they would violate many of their cherished convictions. The easiest way to avoid violating the prejudices which have come down to

us out of the past will be to rely for full employment in considerable measure on a large volume of exports. Moreover by pushing in this direction we help the whole world toward the attainment of peace and prosperity. The limit beyond which we must not go in pushing for large exports is the point where, by increasing exports, we increase unemployment elsewhere in the world. We cannot hope to export our unemployment to other nations without an inevitable backlash. Therefore we must be sure that our exports tend in the main to increase both the productivity and the standard of living of the world.

"Of course, when a creditor nation with high tariffs enters on the path of exports in excess of imports, a series of dangerous forces are unleashed. I described these forces in *America Must Choose* ten years ago, in 1934. We have come to a time now when all the appropriate agencies must give the most intensive thought to the prospect of a world in which investment will be turned to the largest output of productive human energy.

"In respect to productive potentialities, Latin-America, Eastern Asia, Africa, the near East and the Balkan States would seem to offer the best markets. Investments in these places should provide facilities that would expedite air trade and travel, highway and railway transportation, irrigation, flood control, power development, soil conservation and the mechanization of industry.

"Sound investments, in short, are those which so increase the productivity of men on the farms and in the towns as to permit of 50-year amortization at a low rate of interest.

"Under any plan of this sort the United States must be the ultimate receiver of a large volume of imports. We must also be firmly prepared not to take such irresponsible and dangerous action as we did take when we enacted the tariff acts of 1922 and 1930. To take such action is simply to declare to the world that a creditor nation is irrevocably committed to the insane policy of never receiving anything in return for its investments.

"I advance these thoughts simply as suggestions. I have not fully thought out this thesis, but I am hoping to have the chance to talk about it with many authorities in both the business and governmental worlds in the coming months.

"American capital has still so much of fundamental merit to contribute to the world that I hope our postwar trading policies this time will not again lead thoughtlessly to the creation of new crops of Hitlers at various spots over the world. Every time that our thoughtlessness plants a Hitler seed abroad, the germ of a depression is planted inside the United States."

The Vice-President fully recognizes that an excess of exports over imports will never be paid for unless there is peace and prosperity in the world. He hopes the exports and investments can be financed by private concerns but under the supervision of some type of united nations authority which will provide a guarantee of repayment provided certain conditions are met. In brief, he thinks a mechanism like the Federal Housing Authority might give the necessary courage and wisdom to private capital to do an adequate job at a modest fee.

R. L.

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